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# The National Underwriter

## LIFE INSURANCE EDITION

FRIDAY, MARCH 23, 1934



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## 1934 Requires Organized Selling

The last five years have witnessed a very radical change in the attitude of the buying public toward Life Insurance.

This attitude is more favorable but more discriminating. A public that once bought Policies, now are covering Needs. The requirements of the Life Insurance salesman have also undergone great changes. There was a time when a man of average intelligence with easy going methods who exposed himself to prospects, could obtain enough business to make a good living. That time is past. The salesman of the present if successful must plan his work and use Organized Sales methods.

### The 5-2-1 and 1-2-3 Sales Plans

The above is not an attempt to change the "alphabetical age" to the "numerical age." "5-2-1" indicates a modern method of prospecting that has helped Ohio National salesmen to contact valuable prospects. Those of the Ohio National who use the 5-2-1 Plan never want for prospects . . . they have more than they can see.

The 1-2-3 Sales Plan is a practical application of all of the elements of successful selling. The Manager and

Agent with the Ohio National 1-2-3 Plan has a program that is sure to bring success. Those who follow the 1-2-3 Plan . . . have a definite Time Control program; a systematic Prospecting Plan; know how to discover the prospect's need, and have a well-prepared Organized Sales Talk to present the need discovered.

The enthusiasm with which this new sales plan is received by the Ohio National Field Staff, the increased sales of those who are using the Plan and the ease with which it can be put into effect, have added to the attractiveness of an Ohio National salesman's contract.

All salesmen under contract with The Ohio National Life Insurance Company enjoy the benefits of the Ohio National 5-2-1 and 1-2-3 Plans.

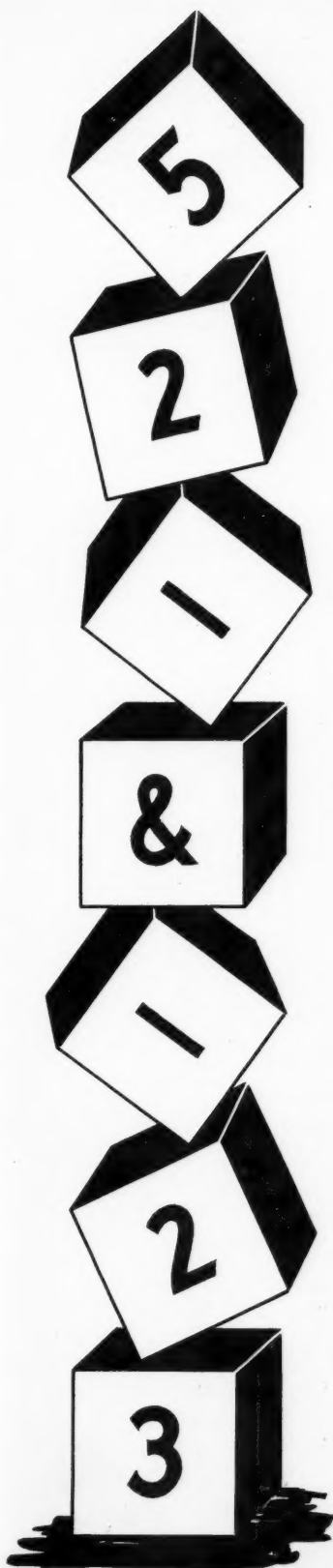
Salesmen wanted in each of the following 26 States: Alabama, Arkansas, Colorado, California, Florida, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Missouri, Nebraska, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Dakota, Tennessee, Texas, Utah, Washington and Wyoming.

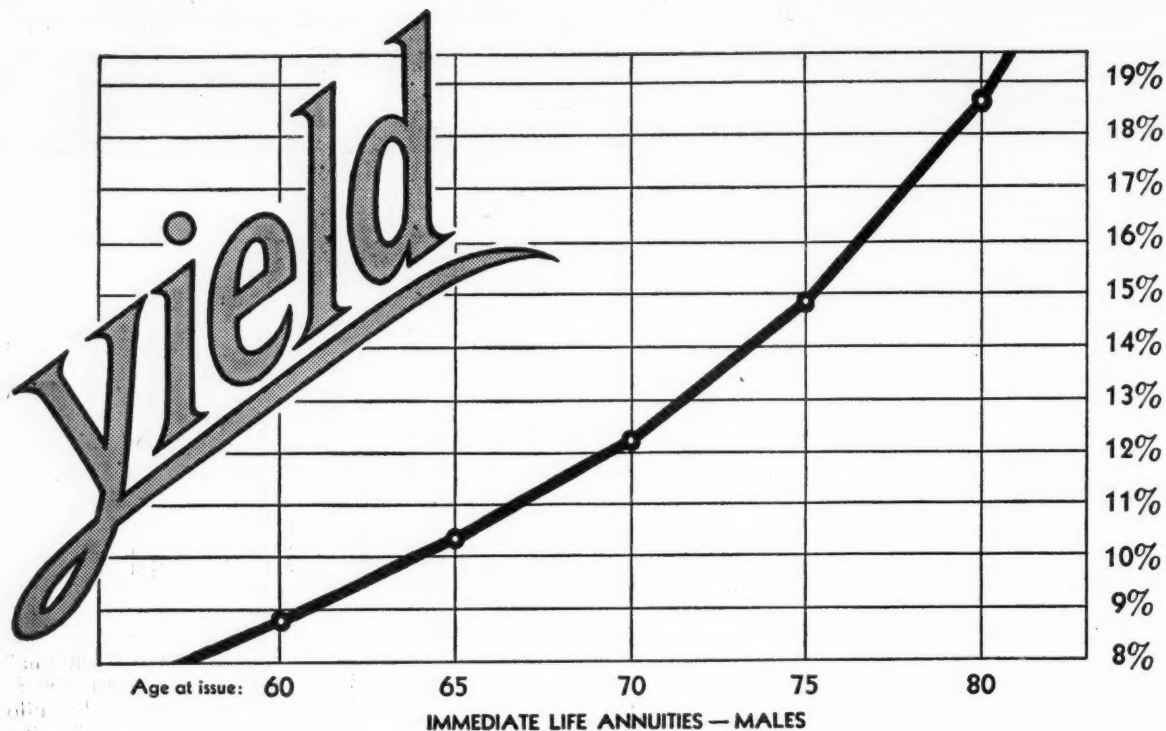
For an Agency Contract write—Mr. John H. Evans, Vice President

## The Ohio National Life Insurance Company

Cincinnati, Ohio

T. W. Appleby, President





## THAT'S WHY THEY ARE EASY TO SELL

The next time you have a prospect for a life annuity, it will be worth your while to remember this: Phoenix Mutual annuities are easy to sell because they offer, to an unusual degree, just what your prospect wants.

There is the obvious security of a contract backed by a conservative New England institution with ample resources and an 83-year record of sound financial service.

And, of course, high yield adds to

their attractiveness. For example, as the above chart shows, immediate life annuities for men guarantee returns which range from almost 9% at age 60 to over 18.5% at age 80.

Finally, complete facilities are at your disposal. You can assure your client of prompt service, the selection of a plan to suit his needs, and the privilege of having his income paid semi-annually, quarterly, or monthly.

Write today for a schedule of rates.

### PHOENIX MUTUAL LIFE INSURANCE CO.

Home Office: Hartford, Conn.



# The National Underwriter

## LIFE INSURANCE EDITION

Thirty-Eighth Year—No. 12

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, MARCH 23, 1934

\$3.00 Per Year, 15 Cents a Copy

### Discussion Method of Teaching Good

Great Value Found in Plan of  
Holding Informal Small Group  
Meetings

#### CUTS OFF WASTE MOTION

Notable Success Secured by Equitable  
of New York, Prudential, Using  
Socratic System

NEW YORK, March 22.—The Socratic method of teaching by discussion is steadily gaining in popularity among managers and home office educational departments. Where this method has been skillfully handled it has been extremely valuable in getting good selling ideas into action with a minimum of waste motion.

It takes an able leader to make the most of the possibilities of a discussion group, but the sponsors of this plan believe that much more can be done than through the usual system of having a speaker talk to the men on this or that subject. Many a good lecturer can easily get bogged down in trying to handle a seminar group, as the requirements are altogether different.

#### Small Groups Are Better

In such a gathering, with the number kept down to a point where no participant is in danger of being left in the background, every man is invited to contribute his ideas. He makes himself conspicuous by his silence, whereas in a larger group those who speak out in meeting are likely to feel that they need more than usual assurance.

A good discussion leader has to be a quick thinker, something of a diplomat, and occasionally a policeman. By experience he soon becomes able to tell fairly well whether a man is going to say anything worth while or is merely boring the rest of the group and wasting valuable time. If the leader is on his toes he can see the need of tactfully choking off the garrulous member before he demoralizes the meeting and destroys its atmosphere of enthusiasm and vitality that is so essential.

#### Heading Off Garrulous Ones

Usually the participant who wants to talk but proves to have nothing to say can be headed off in a diplomatic way, so that he doesn't realize he has been stopped in mid-flight. In the comparatively rare cases where the talker is so hypnotized by the sound of his voice that nothing short of a sledge-hammer seems likely to stop him, the discussion leader must be equal to the occasion and capable of using hard-boiled methods. No grievances or other forms of unpleasantness are likely to arise from such summary treatment. Anyone willing to waste the group's time just to hear himself talk is generally sufficiently

### Greetings from the President

THE WHITE HOUSE  
WASHINGTON

March 9, 1934.

My dear Mr. North:

I have learned that the life insurance agents of the United States, through their official body, the National Association of Life Underwriters, and other organizations interested in the life insurance business, are to sponsor the celebration of Financial Independence Week beginning March nineteenth. The purpose of this celebration, I understand, is to emphasize the benefits that accrue to the American people through the institution of Life Insurance.

Life Insurance is a very important factor in the economic life of this Nation. It is a source of gratification to me that the people of the United States have availed themselves of life insurance, with its attending wide-spread benefits, to a larger degree than have the people of any other country. Our advance in this direction has done much to bring increasing solidity to the spiritual, social and economic structure of the Nation.

I welcome this opportunity to send greetings to the life insurance men and women of the United States and to wish them success in their efforts to improve and to preserve what I believe is one of the Nation's real assets.

Very sincerely yours,

Mr. Henry E. North,  
Chairman, Financial Independence Week Committee,  
1 Madison Avenue,  
New York, N. Y.

lacking in sensitiveness that he doesn't resent having his discourse stopped by harsh measures when milder ones have failed.

A notably successful example of the discussion group method is the series now being conducted by the Equitable Life of New York, under the general direction of Second Vice-President A. G. Borden. The first meeting was held last September in Des Moines. The Prudential recently inaugurated a series of monthly discussion groups in the metropolitan New York area, under leadership of Sayre McLeod, supervisor ordinary agencies department in the home office. C. D. Connell, general agent Provident Mutual in New York City, uses the seminar method effectively.

#### Employed in Sales Congress

The recent New York City sales congress, with its two shifts of eight simultaneous sessions each, indicated the growing appreciation of the discussion group idea. While the groups there

were, of course, considerably larger than the ideal number for a round table seminar, they made possible an informal interchange of opinions that would have been impossible in a large gathering.

The Equitable's plan consists of a five-day sales conference conducted at each agency by one of the company's five field instructors, with a completely organized sales plan for each of the days. Included are organized prospecting, material to use, the organized approach, the organized selling presentation, closing procedure, also collateral or alternative sales presentations.

Nothing of a theoretical nature is presented at these meetings. Everything must pass the test of having been found practical and effective. The instructors draw out from the agents as many good ideas as they can. As each agent makes his contribution there is opportunity for the others to tell what they think of it. Perhaps it is generally acclaimed as a

(CONTINUED ON PAGE 21)

### Lasting Effects in Great Drive Seen

Many Gatherings of Agents Over  
Country Observe Financial In-  
dependence Week

#### ENTHUSIASTIC RESPONSE

High Mark Set in National Campaign  
to Carry Life Insurance Mes-  
sage to People

Financial Independence Week activities throughout the country this week set a high mark. The concerted effort directed by the Association of Life Agency Officers, with Henry E. North, third vice-president Metropolitan, as general chairman, it is believed will have lasting effect.

It is seen by some life company officials as the foundation of institutional advertising. The drive this year was waged with the support of statements from President Roosevelt and governors of numerous states.

#### North Complimented on Work

J. A. Stevenson, chairman executive committee Association of Life Agency Officers, which initiated Financial Independence Week, sent the following telegram to Henry E. North, general chairman of the committee in charge of the week's activities:

"As chairman executive committee Association of Life Agency Officers, I want to express to you the appreciation of the entire committee for the marvelous job you have accomplished in making Financial Independence Week in 1934 an epoch-making movement in the history of life insurance. There is no measuring rod which can accurately record all of the benefits both to companies and agents which will accrue from this great week. However in my judgment we will be profiting from the enthusiasm and interest generated by this grand co-operative effort during every week this year. The life insurance fraternity owes you a debt of deep gratitude for this supreme achievement."

Activities of the New York City Life Underwriters Association include talks by life executives, newspaper publicity and window displays. Two entire windows in the Empire State building were given over to display.

Third Vice-president C. G. Taylor, Metropolitan, spoke Tuesday at the Advertising Club, in place of President James A. Fulton, Home Life of New York, who was ill. Thursday Vice-president F. L. Jones, Equitable of New York, addressed a meeting of the Sales Executives Club and A. E. N. Gray, assistant secretary Prudential, addressed the Brooklyn Rotary Club.

Mr. Taylor predicted that the week would prove to be a great exemplification of the power of such a campaign in gaining additional nation-wide public appreciation of life insurance.

(CONTINUED ON PAGE 12)

# Disability Underwriting Loss Is Checked, Study of New York Data Shows

By R. B. MITCHELL

NEW YORK, March 22.—Disability underwriting losses for 1933 among New York admitted companies totaled \$62,862,988, according to figures from annual statements. This year's amount represents a slight decrease of \$273,550 or .044 percent from the previous year's total of \$63,136,538. Losses for the previous four years were: 1927, \$20,500,000; 1928, \$18,000,000; 1929, \$21,800,000; 1930, \$47,700,000. Income disability payments, exclusive of premiums waived, amounted to \$61,561,449 in 1933, while premiums waived totaled \$14,397,492.

As in the past, double indemnity business, in the aggregate, showed a profit, totaling \$7,376,345 in 1933 compared to \$7,437,330 in 1932.

The recent discontinuance of income disability by the Equitable Life of New York and the New York Life serves to emphasize the disfavor into which the feature has fallen. The action of these two companies has provoked considerable speculation as to whether the companies still writing the income benefit will continue to do so. The New York Life and Equitable had changed to the \$5 per month per \$1,000 benefit at a higher rate at about the same time that many of the other companies did likewise or eliminated the income feature

altogether. A very few companies still write the \$10 a month per \$1,000 benefit.

For most companies still writing the income feature, it will make little difference whether they follow the example of the others and announce a formal discontinuance of the benefit or whether they merely rely on underwriting strictness to keep the amount of disability business down to a perfectly safe amount.

Recent court decisions have not made the companies sorry for cutting out or drastically tightening up on income disability. Rings have been found in operation, preying on the companies through the disability benefit. Some of them are extremely brazen. They have been known to ask the company to compromise, even though the faking was so obvious as to be apparent to anyone.

In some cases adverse decisions have resulted from overenthusiasm on the part of the agent in selling the contract. The insured thinks he understands that the company will take care of him if he gets sick. The agent gets on the witness stand and a smart lawyer can tangle him up and make a fool of him as he could with any other layman in a similar position. If the agent did, perhaps, promise benefits not intended by the contract, these are made to ap-

pear almost anything that the plaintiff wants to contend, and there is another judgment against the company.

The waiver feature is not entirely without grief. On retirement income contracts, for example, there is almost as much incentive to fake disability as with income benefits. In general, however, there is no trouble from this source where the amounts involved are moderate.

In connection with the accompanying table, there may be some confusion as to the meaning of the two headings, "Net gain or loss from disability, excluding loading" and "Net change in surplus credited to or charged against disability." The latter column theoretically takes more factors into account than the former, for example, loading, taxes, etc. Where there is a large difference between the two columns it may be due to a company's having paid a lower dividend scale to policyholders with the disability benefit and offsetting this against disability losses. It is largely a question of accounting practice how this gain shall be credited and consequently which of the above two columns it will affect.

The same consideration arises in regard to annuity gains and losses. The

mortality from annuities is shown in the gain and loss exhibit but there is no separate item for gain for interest on annuity reserves, as they are all lumped in with the life reserves. Most companies show a loss from mortality on annuities and a gain from interest earnings. The net change in surplus due to annuities takes into account these factors and also another important item which is more difficult to arrive at, and that is the investment losses on annuity reserves.

It is the investment loss factor that makes it necessary to scrutinize annuity rates and which was largely responsible for increases in annuity rates last year. Life insurance rates have a safety valve, in participating companies, in the variable dividend scale, but annuities are virtually all non-participating, and there are sound actuarial reasons for keeping them so.

The increase in property owned is interesting, when viewed in relation to the companies' total assets. While substantial, it is hardly so alarming as sensational writers have tried to make it appear. The presumption is that future experience will be like that of the past, and that it will be possible for the companies to sell their foreclosed property at a profit.

## Experience on Disability, Double Indemnity and Annuities in 1933

(From Reports Filed in New York State)

	Disab. Prems.**	Disab. Disburs.**	Reserve for Dis.**	For outstanding	Disab. gain	Change in	Gain or loss	Policy divs.	Annuity Prems.***	Reserves on	Net change	Inc. or dec.
	First yr. Renewal	Payment made	Active	claims, losses	or loss	surplus or	from double	declared for 1934	1st yr. Renewal	annuities at	in surplus	in 1933
			Disables	not reported, etc.	(without loading)**	charged to disability**	indemnity and loading**	(annual basis)**		end of 1933**	charged to annuities**	or dec. in 1933 (book value)
Aetna Life .....	92,809	2,839,426	3,833,982	400,012	8,684,556	10,947,994	4,739,990	-1,624,184	2,518,045	3,818,722	23,768,299	+4,546,000
Bankers, Ia. ....	19,451	985,054	1,347,973	665,011	4,069,689	5,198,328	338,412	-242,607	3,900,000	506,218	1,427,362	+5,215,000
Berkshire .....	4,856	104,113	28,315	8,877	169,754	239,591	1,250	-357,529	648,623	85,760	782,279	+2,319,000
Brooklyn Natl. ....	756	14,978	4,987	627	31,705	24,941	8,721	-157	10,114	97	20,129	+776
Buffalo Mut. ....	695	275	23,950	1,989	1,007	339,368	588,912	not filed	1,336,436	116,806	6,191,652	+196,000
Canada Life .....	3,129	118,525	115,534	23,352	339,368	588,912	126,973	not filed	88,052	3,425	243,954	+17,699
Church .....	3,278	88,338	71,783	31,015	303,326	658,689	142,581	-145,778	52,277	12,254	481,217	+7,350
Columbian Natl. ....	60	1,463	2,710	860	4,629	23,193	4,000	+5,709	199,000	.....	47,846	+1,143,000
Confederation****	2,204	4,478	568	732	3,770	3,166	500	+6,172	.....	.....	.....	+4,856,000
Conn. General .....	35,410	827,632	1,138,973	194,540	3,328,646	4,687,648	1,447,794	-222,549	1,803,999	369,073	8,490,112	+4,742
Conn. Mutual .....	43,760	980,089	502,318	161,832	3,244,077	4,586,876	868,850	+190,547	6,651,882	644,085	14,123,690	+4,586,000
Continental Amer. ....	6,723	85,951	58,995	15,116	338,081	612,939	20,870	-127,907	87,000	32,241	58,473	+42,000
Eastern .....	1,417	4,016	325	1,989	5,949	11,607	20,870	-5,149	4,012	7,407	18,347	not filed
Equitable, Ia. ....	17,948	535,654	305,191	86,941	1,066,372	2,347,166	332,394	-356,122	1,784,003	1,230,938	392,945	+5,216,057
Equitable, N. Y. ....	336,564	7,858,368	7,861,443	1,689,677	21,887,167	49,521,818	11,626,941	-4,888,745	38,100,000	50,685,644	19,369,132	+6,045,034
Farmers & Trad. ....	508	2,526	14,168	4,370	92,309	106,687	.....	-20,317	.....	.....	.....	+143,000
Fidelity Mutual .....	9,408	392,604	277,198	111,763	1,460,065	2,484,276	93,624	-231,623	1,961,000	772,422	268,351	+65,311
Guardian, N. Y. ....	19,031	548,551	356,615	132,324	1,809,136	3,041,278	307,888	-272,946	46,786	7,255,000	667,657	+1,248
Home Life, N. Y. ....	13,235	314,010	211,903	65,112	853,134	1,778,766	153,703	-184,334	1,765,000	218,214	1,648,754	+26,128
Imperial****	145	2,053	2,762	760	5,777	25,952	.....	-521	198,000	.....	.....	+18,279,000
John Hancock .....	29,510	1,149,429	1,334,796	274,782	3,423,615	6,777,217	1,770,760	-1,406,258	5,441,080	640,078	9,972,980	+9,585
Manhattan .....	1,915	60,367	59,282	14,075	137,649	305,153	64,300	-60,210	14,403	242,456	103,167	+5,818,000
Mass. Mutual .....	137,869	1,905,070	819,394	342,475	5,655,255	8,169,969	61,850	-97,230	7,208,850	4,559,799	20,156,524	+409,805
Mass. Protective .....	1,135	7,129	3,263	19,387	15,792	2,000	2,000	+4,718	.....	.....	.....	+20,000
Metropolitan .....	206,200	9,800,140	7,788,574	1,055,276	12,213,491	40,520,244	13,610,063	-5,993,689	6,469,295	20,443,388	161,730,573	+72,790,000
Monarch .....	813	3,839	1,285	6,758	4,467	304	304	+2,459	.....	.....	.....	+337
Morris Plan .....	17,498	.....	12,965	3,395	683	25,925	.....	-10,946	.....	.....	.....	+7,375
Mutual, Can. ....	3	608	160	2,628	.....	.....	.....	+192	.....	.....	.....	+12,063,000
Mutual of N. Y. ....	119,554	4,917,473	5,135,583	1,825,232	19,304,875	58,084,890	9,191,247	-12,137,545	29,131,000	11,748,154	854,872	+10,298,000
Mutual Benefit .....	15,466	128,934	12,726	6,350	167,107	118,655	30,352	+109,166	14,249,000	282,746	41,673	+15,349,000
National, Va. ....	6,732	311,521	171,837	52,136	485,690	1,556,508	57,510	-28,459	6,410,5	2,892,000	289,018	+14,975,556
New England M. ....	27,278	515,779	212,412	91,343	2,188,315	2,000,315	231,810	-34,884	1,134,121	11,060,000	272,522	+10,210,547
New York Life .....	173,565	10,050,068	10,687,186	3,863,792	38,833,349	93,210,931	19,299,921	-15,643,271	48,038,000	21,704,146	4,486,156	+2,909,689
North Am. Reass. ....	1,160	50,446	32,652	22,656	167,995	307,384	82,123	-35,909	.....	.....	.....	+12,063,000
Northwestern Mut. ....	49,387	441,839	176,216	88,145	895,196	281,066	281,066	-55,172	30,475,000	712,068	4,875,762	+1,263,000
Paul Revere .....	1,044	750	12	2,058	86	600	600	+1,166	.....	.....	.....	+1,263,000
Penn. Mutual .....	53,601	1,684,452	949,104	341,779	4,799,020	10,568,954	87,877	-1,509,159	12,750,000	18,675,346	1,824,103	+177,296
Phoenix Mutual .....	50,040	791,560	370,939	129,340	1,905,846	3,296,021	573,311	-194,761	2,241,000	2,971,711	500,736	+3,843
Postal .....	64	429	8,047	13,780	29,306	1,576	1,576	-8,161	13,664	5,165	590	+30,281
Postal Natl. ....	455	2,032	3,300	1,275	1,901	1,306	.....	-527	.....	.....	.....	+1,263,000
Provident Mut. ....	20,925	799,207	241,816	87,048	2,723,374	2,408,530	13,661	-263,899	5,212,000	4,264,184	1,432,312	+392,692
Prudential .....	5,281,934	10,487,284	1,295,462	20,160,598	37,978,502	14,302,243	14,302,243	-5,059,072	24,563,000	12,661,278	987,801	+511,112
Security M. N. Y. ....	1,283	59,447	40,785	13,450	149,931	343,840	56,819	-37,679	16,539	250,000	40,792	+3,643
State Mut. ....	6,879	335,581	135,496	40,648	1,045,552	963,813	349,600	-22,525	3,650,000	1,287,066	74,584	+7,252
Teachers .....	1,246	19,319	.....	629	38,723	4,222	7,000	+17,782	105,000	274,223	3,886,124	+1,118,321
Travelers .....	166,566	3,638,598	6,233,222	900,561	15,264,016	27,809,053	6,910,933	-7,267,821	19,000	5,839,574	482,072	+197,542
Union Central .....	15,622	630,655	647,212	152,539	1,840,996	4,455,314	520,695	-230,602	5,841,000	2,038,255	629,065	+284,619
Union Labor .....	3,358	23,759	35,380	649	21,451	19,308	25,000	-5,118	1,906	5,236	3,066	+1,700
Union Mutual .....	361	7,016	.....	7,997	.....	.....	.....	+4,445	156,000	41,323	247,243	+6,051
U. S. Life .....	177	7,023	2,626	937	17,206	23,991	21,842	-13,457	.....	1,352	295	+3,065
Totals .....	1,721,145	59,159,685	61,561,449	14,397,492	179,911,844	386,658,176	87,797,531	-62,862,988	7,376,345	282,175,685	180,877,778	+11,236,747

\*\*Ordinary only. \*\*\*Includes group. \*\*\*\*U. S. Branch.

\*Includes a special item of \$1,635,270 "Loss due to maintaining average reserves as for active and disabled lives combined on active lives after exclusion of disabled lives."

(b) Footnote in gain and loss exhibit states: "No division in assets, income or disbursements as between classes of business is made on the company's records except of income and disbursements relating to particular classes of business. As any apportionment of the amount in the 'total' column among the other columns not entered in the exhibit would be arbitrary, such apportionment has been omitted."

(a) Group annuities (including disability in such contracts) caused an increase in surplus of \$492,824.

(d) See footnote (b): the company had a gain from mortality on annuities of \$215,075 and a gain from excess interest earnings (net, excluding loading) amounting to \$521,063 on annuity reserves. This figure, however, takes no account of capital losses on investments nor of a number of other factors.

(e) Not itemized for U. S. Branch.

(f) To March 30. (g) To June 30. (h) To May 31. (j) To April 30. (k) To May 1.



## Company Able to Withstand Maximum Demand for Cash

### PRESIDENT ARNOLD'S REVIEW

Dr. Cook, Medical Director, and Other Northwestern National Officials Address Regional Meetings

The financial condition of the Northwestern National Life is so sound and assets so liquid, President O. J. Arnold stated at a regional educational conference of the company's agents in Chicago this week, that if all the company's policyholders had demanded maximum cash loan values at the end of last year, the bonds held in the portfolio if sold at market quotations on that date, together with cash on hand, would have been sufficient to pay all but 1.4 percent of the demand. The cash and bonds represented less than half the company's assets.

A surplus to policyholders of \$3,119,737 would be shown, Mr. Arnold said, even if the financial statement were made on the basis of market quotations as of Dec. 31 last. This would be sufficient to provide a cushion of 24 percent to absorb any depreciation in remaining assets, such as mortgages, for which market quotations are not available but which are valued on a conservative basis.

#### Assets Greatly Increased

Assets have increased 27 percent in the last four years, although an amount equal to 72 percent of 1929 assets was paid to policyholders and beneficiaries in the period.

More men and women are uninsurable today than at any time during the past 30 years, judging by applications received, Dr. H. W. Cook, vice-president and medical director, declared. More persons are having their applications rejected than ever before, notwithstanding that home office officials of all companies are anxious to get all business on their books that they can with a reasonable degree of safety.

There are relatively more impaired risks from physical, financial and moral hazards. The Northwestern National and other companies are selecting strictly in regard to blood pressure.

#### Moral Status Much Changed

There has been a great change in the moral status of many men in the last five years. He cited the experience of various companies with 100 cases involving \$70,000,000 paid during the last five years. Many individuals in the group carried from \$1,000,000 to \$5,000,000 life insurance. It was found 22 percent committed suicide, 28 percent died from heart disease, 11 percent from pneumonia and 10 percent from cancer. The normal suicide rate is from 1 to 2 percent.

Enormous increase has occurred in heart disease fatalities. The degenerative diseases have increased greatly. Appendicitis, ulcers of the stomach and diseases of the gall bladder are causing more deaths than they did 34 years ago.

#### Shows Trends by Charts

He showed charts of mortality trends which showed that while deaths of children dropped from 400 to only 100 per 100,000 since 1900, degenerative diseases among adults have increased their mortality ratio from 350 to 600, and cancer from 10 to 90.

Dr. Cook gave much time to discussion of cases submitted, analyzing them from the viewpoints of insurable interest, moral hazard, blood pressure and sizes of cases. In the depression there has been persistent effort to secure insurance where true insurable interest did not exist, regardless of relationship of applicant and beneficiary. This has been evidenced by many applications on elderly persons with sons and daughters as beneficiaries, the obvious purpose

(CONTINUED ON PAGE 21)

# Financial Section Weighs the Municipal Bond Problem

The municipal bond problem was given consideration at the special meeting in Chicago of the Financial Section of the American Life Convention.

O. J. Lacy, Minnesota Mutual Life, opened the discussion by saying that a number of cities are in an embarrassing position and others are trying to maneuver themselves into an embarrassing position, so as to take advantage of any plan that may be authorized for scaling down indebtedness.

Mr. Lacy warned against unscientific refunding plans, such as those that are created to ward off impending maturities without thought as to other maturities that may mature in later years. Attention should be paid to the peak load of maturities.

#### Problem of Reorganization

In every refinancing, the municipal bond holders should see that they are properly represented and are not being exploited by those who are merely interested in fees. He cited the obstructionist tactics of the small minority that try to get a premium on their bonds by blocking the reorganization.

Among municipal bond experts, there is a difference of opinion as to the Sumner-Wilcox bill to provide for municipal refinancing. Some experts favor a modified Sumner-Wilcox act, while others feel that each state should deal with its own problem. Most experts do not anticipate congressional action to cut coupon rates on outstanding issues but the rates on future issues might be cut. If so, the question will arise for investors whether to take a lower rate on low coupon bonds or pay a high premium on high coupon bonds. Some investors, he said, are switching from

short to long term municipals. Some are buying higher second grade municipals.

The future trends as to municipals, he said, will be determined by the price of money. If there is to be much corporate refinancing the yield on municipal bonds is likely to increase.

#### Obligations of Counties

Mr. Lacy said many municipalities were extravagant and consequently their obligations are not desirable. Many counties, particularly in the northwest, however, have traveled along in a conservative fashion and provide good investments.

Harry Wade, assistant to the president United Mutual Life, proposed that the American Life Convention be employed to help out when municipal bond issues get in trouble. His suggestion was that if a member of the A. L. C. has a bond, which has been in default in interest for six of eight months, for instance, that company might request the A. L. C. to inquire of other members whether they hold any of these bonds. Those holders would be requested to get in touch with the company making the inquiry. A meeting could be arranged and an investigation made. The companies, by acting jointly, could save exorbitant fees, he contended, and could set up a committee that, because of its prestige, would cause non-insurance holders to deposit their bonds.

L. J. Dougherty, Guaranty Life of Iowa, proposed that a committee be appointed to investigate the question. Judge Byron K. Elliott, manager American Life Convention, said that the com-

(CONTINUED ON PAGE 21)

## Says Life Companies Ought Not to Abandon Disability

### ACCIDENT-HEALTH MAN'S VIEW

S. C. Carroll Addresses Life Executives at Meeting of Insurance Institute of Nebraska

"With the health of the American people better than ever and with the accident rate at least not increasing, the life companies should not now retire completely from the total and permanent disability field," said S. C. Carroll, vice-president Mutual Benefit Health & Accident, in an address to the Insurance Institute of Nebraska at the March meeting in Omaha.

However, Mr. Carroll did urge that the life insurance executives take a lesson from the health and accident companies and pay only for actual disability and not for inconvenience or uncomfortable feelings.

#### Reduction at Older Ages

He also suggested that the disability feature should incorporate the recent provision adopted by many health and accident companies whereby indemnities are reduced at age 55 whether the disability be incurred before or after that age. His argument was that the average white-collar man reached the peak of his earnings at age 50 and that the average manual laborer reached his peak at about age 43, so that a reduction in indemnity at age 55 was liberal to the policyholder and should logically be made.

"There is no economic reason to pay disability benefits to any person whose time would not have a market value if he were relieved of the particular disability on which the payments are based," continued Mr. Carroll. He denied that the depression had had any serious influence on the disability business, save to reduce income, but stated that the experience of his own company indicated that the man who would cheat in a depression time would do it just about as quickly in time of prosperity.

#### General Statistics Inadequate

The speaker warned against the use of national statistics on the accidental death rate in figuring the charge for double indemnity, as this charge should be based on the experience of males within the insurable age, and properly should be graded according to the accident and health manual of occupations.

While Mr. Carroll stated emphatically that he felt the life companies could handle a properly managed disability department, he said, if they wanted to throw it overboard the health and accident companies would be glad to take it and pay commissions to the life salesmen.

#### Dunham in Annual Review

Of 21 companies which applied for admission to Connecticut in 1933, but two were admitted by the department, Commissioner Dunham reports in his annual review. As of Dec. 31, 1933, there were 467 organizations transacting insurance business in Connecticut, 280 fire, 86 casualty, 46 fraternal, 45 life and 10 title and mortgage.

Of the 93 companies which retired from business in 1933, only three were licensed in Connecticut at the time of retirement. Several companies considered not strong enough to continue, withdrew at direction of the Connecticut department, 18 companies were not relicensed because of unsatisfactory financial condition or merger with other companies, 22 companies were relicensed on a restricted basis.

The department issued 32,028 licenses to 7,692 agents and brokers, 1,821 persons were examined for agents' licenses, of which 305 failed, 1,402 claims were filed with the department against companies, most of these being amicably settled without expense to complainants.

## "I HAVE BEEN INVESTING"

Here is a convincing canvassing document—(a letter written by a fine old lawyer to the President of this Company)—typical of innumerable such current expressions received by Home Offices throughout the land:

I am but an unknown policyholder, but I have a real desire to write to you and inform you that I appreciate the great work of you and your associates in maintaining the strength and service of your Company.

I am sixty-five years old, as insurance companies reckon age, and I have been investing my income for some forty-four years with what I thought was prudence and intelligence.

However, today in my sad awakening I realize that all of my investments except one are lost or very seriously impaired. During these years, with the exception of a few bonds which have depreciated in value, the only investment which has stood the test is my life insurance, and throughout the changing fortunes of forty-four years this investment has grown better and stronger and has paid me regular dividends without a single default.

## THE PENN MUTUAL LIFE INSURANCE CO.

WM. A. LAW, President

Independence Square

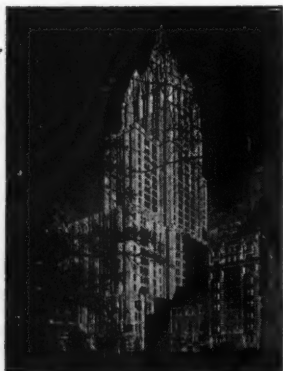
Philadelphia

## 89-Year Record of Protection to Policyholders

Since it started business in 1845, this Company has paid to policyholders and beneficiaries over \$3,910,000,000. Over one billion dollars of this amount was in dividends.

The stability of this strong mutual company has been particularly demonstrated during the past four years of business depression. In every one of these years, income has exceeded disbursements.

Throughout all the years—during every panic, every war and every epidemic down to the present hour—the New York Life Insurance Company has met every obligation to its policyholders and beneficiaries; it is amply prepared to continue to do so throughout the life of every one of its insurance and annuity contracts.



HOME OFFICE BUILDING

### NEW YORK LIFE INSURANCE COMPANY

51 MADISON AVENUE  
NEW YORK, N. Y.

## Future of Utilities Still Brilliant, Travers Holds

### FINANCIAL SECTION SPEAKER

Despite Current Unfavorable Factors, Lincoln National Life Investment Man Takes Optimistic View

A discussion of utility investments at the meeting of the Financial Section of the American Life Convention in Chicago was opened by the reading of a prepared paper by Frank J. Travers, Lincoln National. He pointed out life companies have doubled their utility holdings in the last 25 years. Electric power output has increased more than industrial activity. Utility investments have been limited very largely by life companies to obligations of operating companies.

Most life companies favor utility companies that do electric power business. Street railway obligations have proved unfavorable.

#### Factors to Be Weighed

In making utility investments, among the factors to be considered are the priority of the lien or mortgage, whether the major franchise extends beyond the life of the bond; there should be a strong ratio of current assets and current liabilities and public relations should be satisfactory. The sinking fund provisions are not as important as for rails.

One of the tests of utility investments is the times interest earned. Mr. Travers expressed the belief a better test is the percentage of gross revenue remaining after expenses and fixed charges. By that yardstick, the investor can determine how much of a rate cut the utility could stand. When this yardstick is used, the depreciation reserve could be investigated and the residential rate that is obtained.

The competition of public plants is important, but the demand for utility services is increasing and there is hope that the sentiment of fair play may prevail in the long run.

If regulation is fair-minded, Mr. Travers said the investor should prefer securities where close regulation is exercised to prevent the milking of operating companies by holding companies.

#### Rate Reduction Threat

The threat of rate reduction is not as serious as some may believe. Usually the residential load is only about one-third the load of the utility company and the residential rate can be cut without grave consequences.

O. J. Lacy, Minnesota Mutual, urged the life insurance men to oppose the milking of operating companies by holding companies. He pointed out that Wisconsin refuses to allow payment of dividends on common stock unless they are twice earned. Life companies should attempt to get similar rulings in other states.

Mr. Lacy said that as a class, water bonds will stand up better than any other utility class.

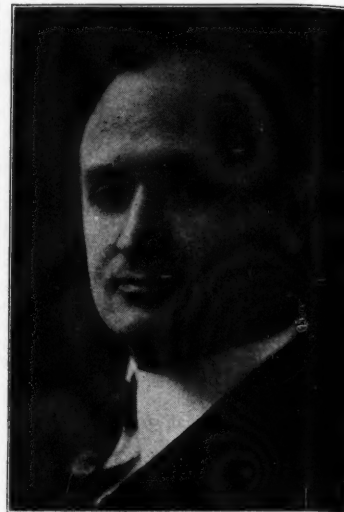
The question was asked how many had purchased any utility bonds this year. Only five replied in the affirmative.

#### Receiverships Are Few

G. C. Holmberg, Northwestern National Life, said there has been no receivership for a long time among utility companies. However, he said there are some under-the-surface difficulties in some such companies, because of the sales tax, the higher NRA scale, etc. One such company represents the consolidation of several companies and the question arises whether under receivership of that company the old divisional bonds could be identified. There is very little history because there have been so few failures among the utilities.

D. F. Roberts, Acacia Mutual, asked about the policy of members of switch-

## Finance Chairman



O. J. LACY

At the special meeting of the Financial Section of the American Life Convention in Chicago, Friday, its chairman, O. J. Lacy of St. Paul, vice-president Minnesota Mutual, guided its deliberations with a resourceful and finished hand.

## J. S. Tobin, on Stand, Denies the Charges of J. I. Reece

The sixth week of the trial of J. I. Reece, former Tennessee insurance commissioner, who is charged with the theft of \$100,000 bonds from the blue sky division of the insurance department, was devoted to a hearing of rebuttal witnesses, contradicting Reece on many points in his lurid story of political intrigue.

J. S. Tobin, the present commissioner, took the stand and denied Reece's charge that Tobin had been in collusion with him in the bond transaction and that the two had split brokerage fees on the marketing of the bonds.

Mr. Tobin's movements at the time Reece charged they were in conference in connection with the bond deal were traced so as to establish that Tobin could not have been at the meeting place named by Reece at the time the conference was alleged to have been held.

About 20 business and professional men of Memphis testified as character witnesses for Commissioner Tobin.

This week among the witnesses will be Governor McAlister of Tennessee.

ing from one bond to another to get a better yield.

Mr. Travers said his company has done some switching where the trade can be made to improve quality or improve yield if the commissioner is willing.

Harry Wade, United Mutual Life, inquired as to how the various companies handled the sale and purchase of securities, that is whether the matter was in charge of a committee of directors exclusively, a committee of officers and directors or officers only. Twelve replied that their finance committee was composed only of officers. Eighteen replied that the committee was composed of officers and directors, all but one replied that the directors that are on the finance committee are located in the home office city.

#### Effect of Time Control

In one of the Connecticut Mutual's general agencies, 22 of the 50 full-time men under contract are following the company's time control plan, and these 22 men are selling more than 75 percent of the total business of the agency.



*Excerpts from*  
**the report of the Actuary  
of a large insurance organ-  
ization served by the  
American Conservation**

**Company**

“The lapse ratio of the active

business for 1932-33 was more favor-

able than the lapse ratio that prevailed

prior to the time of rewriting. Of the

\$22,000,000-plus of active business submitted to the American Conservation Company for rewriting, lapsation was at the ratio of 17% for the business rewritten.

“... The important lesson brought home from this survey is the danger in getting a late start in the rewriting of the business. Had the American Conservation Company been in the field interviewing policyholders before they were disturbed by twisters and unscrupulous agents, the results would have been more favorable.

“..... The distribution (of transferred business by ages) was fairly uniform, which shows the efficiency with which the business was handled by the American Conservation Company.”

**AMERICAN CONSERVATION COMPANY**

**LIFE INSURANCE SERVICE**

**Herbert G. Shimp, President**

**307 North Michigan Avenue • Chicago**

# Selling the man who says: *"I can't afford it"*



"Why does Union Central call this the Economic Adjustment Plan?"

"ECONOMIC—because it enables you, even on a reduced income, to buy right now the full protection you need. ADJUSTMENT—because you pay only about half the usual cost now and the rest as times improve."

"I CAN'T AFFORD IT" is sales enemy number 1 these days. That's why the full force of Union Central's selling barrage is behind the Economic Adjustment Plan.

In the Saturday Evening Post, Time, Colliers . . . on the "Roses and Drums" program over the Columbia network . . . the facts about this timely plan reach millions of homes every week—"adequate protection immediately at a cost within your reach."

This is a selling appeal geared to the times . . . that knocks over the "can't afford it" objection and offers the prospect a way out. That's why it's clicking. That's why personal production records of Union Central representatives all over the country are going—up!

## The UNION CENTRAL Life Insurance Company

CINCINNATI

### Predicts Life Insurance to Go Under U. S. Control

#### ECONOMIST VIEWS PROSPECT

**Urgent Need in This Country Is to Stabilize Credit, Professor Hahn Tells Chicago C. L. U. Men**

Assets of life companies probably before long will be subject to government control. The government might not do a better job in conserving assets and preserving security than have life company executives, but those in the business may expect the government to invade life insurance more and more.

These were the views expressed by Prof. E. H. Hahn of the economics department Northwestern University at a meeting of the Chicago C. L. U. chapter. Professor Hahn discussed "Recovery Economics and Life Insurance." He considers the all important demand to be stabilization of credit. The dollar has dropped in value in the last 12 months from \$1.38 to 59 cents on basis of the 1913 dollar, he said, the greatest drop in history.

#### Inflation Hazard Is Real

He considers the danger of inflation very real. In view of this uncertainty he said it appears to him life companies and salesmen are selling speculation until such time as they secure a stabilized dollar.

The country is face to face with government aid to industry. Two major parts of the new deal are the Home Owners Loan Corporation activities and the Farm Credit Administration, both of which have affected life company investments by liquidating mortgages and resulting in greater liquidity of assets.

The new regime represents the theory of not letting the country drift but of making social progress by conscious control. The life insurance business is face to face with the prospect of a code, which is being discussed in official circles. Professor Hahn said as yet it is problematical what direction it will take.

#### Two Reforms Proposed

Among reforms suggested are two which came directly from England. One is a project to revise actuarial tables, to recognize the change in the length of human life. Another is tax exemption for life insurance, on the theory that dependents of those who are insured are not so likely to fall back on the state.

Professor Hahn believes insurance people must get busy and arouse the American public in regard to what has been accomplished in the way of stabilized savings in life insurance.

There is a growing theory of discipline of industry and business. Professor Hahn said the larger life companies probably would not resent such a request. A question which is tantalizing the economists is to what extent losses in life insurance could have been avoided if there had been greater co-operation between companies and authorities. He said it seems fitting to public officials and economists that life insurance should be asked to subscribe to the same principles as general business.

#### Expect Big Credit Inflation

There are many economic problems and theories involved in recovery. One is what is to happen to life insurance. The economists believe that a credit inflation of from \$7,000,000,000 to \$17,000,000,000 is due when the public wakes up to what has happened. Professor Hahn believes the chances for control are good.

Life insurance, he said, stands for the security which the public wants. The biggest demand is to educate the public on the need for stabilized price level and credit. Government aid has done something in putting a bottom to the falling price level. The NRA has done

### Seasickness Does Not Hinder Writing Apps

L. P. Ferree of the T. Leiper Black Agency, Philadelphia, of the Connecticut Mutual attended its annual convention at Hollywood-by-the-Sea, Florida. To and from Florida Mr. Ferree was seasick on the ocean trip. To divert his mind from the sea, he wrote four applications. Southbound he sold a single premium annuity to a retired minister and a guaranteed endowment annuity to the hostess of the boat. On the northbound voyage he sold a retirement income policy to a chauffeur and a guaranteed endowment annuity to the ship's nurse.

### Big Growth in Annuities in Four Years Pointed Out

The Life Insurance Sales Research Bureau reports that the 28 companies which have been leaders in the annuity field collected in new annuity premiums in 1933 the sum of \$177,385,000 as compared with \$67,220,000 in 1930. The total premium income from annuities, including renewal premiums, was \$214,909,000 in 1933 and in 1930 the sum was \$83,593,000.

In 1933 the percentage of annuity premiums to total premiums was 10.9 percent and in 1930 it was 4.2 percent.

The new premiums on annual premium forms in 1933 amounted to \$14,691,000 and renewals \$37,524,000. In 1930 the new premiums on the annual premium were \$6,151,000 and renewal \$16,373,000. In 1933, single premiums amounted to \$159,524,000 and in 1930, \$59,937,000.

### Aetna Officials on Coast

LOS ANGELES, March 22.—A party of Aetna Life officials composed of Morgan B. Brainard, president; S. T. Whatley, vice-president, and R. B. Coolidge, assistant superintendent of agencies, visited the W. M. Hammond general agency here. They were welcomed with 595 applications for new business secured in the "Loyalty Month Campaign." At an agency convention Vice-President Whatley discussed the institutional publicity on the part of life companies during Financial Independence Week. Mr. Coolidge talked on life insurance salesmanship, including prospecting. President Brainard reviewed conditions in the life insurance business, including reference to investment problems and the necessity for observance of extreme care in the selection of safe investments.

### Pennsylvania After Shysters

Failing to appear for trial on the charge of acting as agent for an unauthorized company, a bench warrant was issued in Philadelphia for the arrest of W. A. Ritka, who represents the National Aid Society of Springfield, Ill., which was not licensed in Pennsylvania.

Charles Polokowski, who was picked up on the same charge, was sent to the Philadelphia county prison when he was unable to pay a fine of \$100.

some good. If the country is to stabilize its currency there must be an international gold standard, when each country can stabilize its currency on the basis of gold shipments between nations.

F. J. Budinger, manager Franklin Life and president C. L. U. chapter, presided. An innovation was a comedy skit portraying functioning of the selection committee of the "Easy Payments Life Insurance Company."



## Dispels Some Gloom as to Investments in Railroads

### TRANSPORTATION BACKBONE

#### F. J. Travers Expresses Belief Diversion of Traffic to Trucks Has Reached Its Highest Point

If the Interstate Commerce Commission should insist that the railroads build a strong cash position and provide for gradual retirement of their debts, investment in obligations of main trunk lines which earn their fixed charges and serve territories of dense population and possess ready marketability should prove attractive to life insurance companies. This was the opinion expressed by F. J. Travers, financial secretary Lincoln National Life, in a prepared paper before the meeting of the Financial Section of the American Life Convention in Chicago.

Mr. Travers is not alarmed because of the competition of trucks, pipe lines, airplanes, etc. He cited figures showing that 76 percent of the tonnage in 1929 was carried by rails, 16 percent by waterways, 5 percent by pipe lines, 2½ percent by trucks and ½ of 1 percent by miscellaneous methods. Later, in answer to a question, Mr. Travers said the freight hauled by trucks is high rated material and the trucks probably get 10 percent of the revenue, although they get only 2½ percent of the tonnage. However, he said, by and large, the less than carload lots which are carried by the trucks are not as profitable to the rails as many believe.

#### Backbone of Transportation

The railroad, he said, is still the backbone of the transportation system and the rails enjoy enormous diversification of freight. He feels that the trucks have reached their limit of diversion of traffic from the rails and the threat of the pipe lines, planes, etc., is not serious.

He predicted that with general business recovery, the railroads would show immediate improvement but they would not show much growth thereafter. The effecting of economies in the future should help to offset losses in gross revenue but in the long run about the best that could be anticipated is that the gross will travel a pretty level route or a slight downgrade.

Mr. Travers expressed the belief that the bonded indebtedness of the railroads is not excessive. It is about 13 billion dollars and the life insurance companies own about one-quarter of these bonds. The earnings of the railroads in a nine year period following 1921 would have retired one-half of that indebtedness, he said, and a sinking fund should have been set up, but before the depression dividends to common stockholders were too high.

#### Names the Best Rails

The roads which have stood up the best and whose investments have proved the best, he said, are the Union Pacific, Norfolk & Western, Chesapeake & Ohio, Pennsylvania, Santa Fe and Burlington. The roads which have not fared so poorly have been the Louisville & Nashville, Northern Pacific, Atlantic Coast Line and Great Northern.

Others have been badly strained, because they paid too high dividends before the depression and there is a group of roads whose burdens are so great that financial reorganization seems necessary.

Although some roads seem to be depression proof, the investor should exert constant supervision and make analyses to determine whether their position may be altered. For instance, a shift in the coal traffic may make the outlook for roads less bright.

#### D. F. Roberts Tells Policy

Donald F. Roberts, treasurer Acacia Mutual, said his company has favored divisional bonds of second class rails, such as the Baltimore & Ohio, and junior

bonds of so-called depression proof roads, such as the Burlington.

O. J. Lacy, Minnesota Mutual, expressed the belief that when a road is reorganized, the divisional bonds do not fare so well. The government may step in and hold that the division isn't any more important to the road than the road is to the division and the holders of divisionals may be required to take a subordinate position.

Mr. Travers asked how many have purchased any railroad bonds since the first of the year. Only five replied that they had. There were more than 60 at the meeting.

Then Mr. Travers asked how many had bought any bonds except governments since the first of the year. There were 14.

C. A. Sorensen, Union National Life of Nebraska, brought up the question of government ownership of railroads. He expressed the belief that if Roosevelt is reelected, the government will take over the rails. If that is done, probably the government would guarantee the bonds, but the question is whether they would guarantee the par value.

If the government should take over the rails, Mr. Travers said, the bonds would have to stand on their own feet. Mr. Travers said consideration also should be given to what would happen to bonds of second grade rails if they

be taken into the twelve system consolidation. For instance, what would happen to the bonds of the Nickel Plate and Pere Marquette if they were taken over by the Chesapeake & Ohio?

#### Consider Savings Bank Bill

ALBANY, March 22.—The New York senate insurance committee will hold a hearing April 3 on the O'Brien-Livingston bill, authorizing savings banks to engage in the life insurance business. A life company representative, in commenting on the measure, said that it imposes extensive and expensive duties on the superintendent of insurance for which no appropriation has been made. The superintendent must prepare the forms of policies to be written and generally set up the machinery of the savings bank departments in savings banks. So far as can be learned none of the large savings banks is sponsoring the measure. The hearing on it is expected to develop just who is behind it.

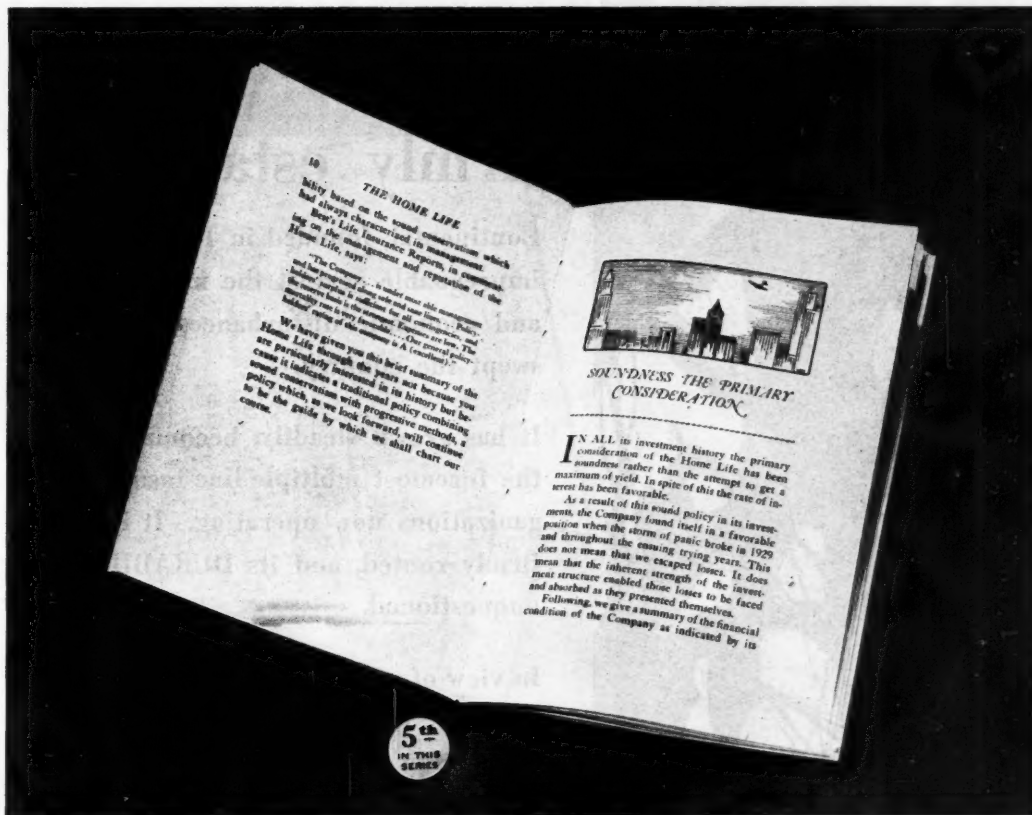
#### Lincoln National's Record Day

In its biggest single day's business in history this month the Lincoln National Life received over 300 applications for nearly \$1,000,000. No special drive was responsible for the volume.

## Policyholders of Anchor Life, Kansas, Get "Break"

TOPEKA, KAN., March 22.—The policyholders of the old Anchor Life of Kansas are getting a break on their matured policies. The company was organized about 20 years ago and was reinsured by the Farmers Life of Denver, which later was reinsured by the Pacific States. The old Anchor Life had a deposit of more than \$100,000 in securities with the Kansas insurance department.

Commissioner Hobbs, who was an actuary of the department at the time the Anchor Life was reinsured, and his predecessors in office refused to give up the securities deposited with Kansas until Anchor Life policyholders were fully cared for by the reinsuring companies. Every effort to obtain possession of the securities failed. Some of the policies have been maturing the last few years and last week the Kansas department paid \$10,000 to policyholders whose policies had matured. The department held the securities and as securities matured it has been insisted that either new ones be deposited or the cash deposited, so that the reserves were fully maintained.



This is one of a series of advertisements, reproducing the pages of a new book, "The Home Life Looks Forward", which has just been published. If you care to have a copy of the entire book, write now to Cecil C. Fulton, Jr., Superintendent of Agencies.

## HOME LIFE INSURANCE COMPANY

256 BROADWAY, NEW YORK, N.Y.

ETHELBERT IDE LOW  
Chairman of the Board

JAMES A. FULTON  
President

## State Mutual Forces Wage Pageant of Progress Drive

IN HONOR OF 90th BIRTHDAY

Striking Pamphlet Presenting News Photographs of Last Century Being Used in Canvassing

The field force of the State Mutual, conservative New England company which usually goes in very little for production contests, is geared up in high in celebration of the company's 90th birthday. The activities are taking the form of a "pageant of progress" contest, running from March 16, the anniversary date, to June 16.

The campaign was started by breakfasts and other agency meetings on the opening day. The unusual character of the campaign literature distributed by the State Mutual excited the keen interest of agents throughout the country.

### Unusual Canvassing Document

A pamphlet was prepared as one item in the campaign, depicting by authentic news pictures the times and conditions through which the company has pro-

gressed since organization, March 16, 1844. This is being found to be a powerful canvassing document, since in addition to being a unique collection of photographs extending back over many years, it serves to drive home the point of the company's great age and integrity.

Other material, distributed to the agent includes detailed plans for the campaign, providing a system of maintaining daily records throughout the period. Agencies have been divided in production groups and many awards are offered.

Among these are activity awards in two groups, for agents producing a minimum of 13 and minimum of 26 applications in the period; volume awards, leadership awards for each state and awards for number of lives insured.

### Bill Gives Power to Banks

Savings banks of Rhode Island would be allowed to write life insurance if an act introduced in the state senate is passed. The act would make returns from policies after six months instead of three years, and would give the governor power of appointing a commission to regulate savings bank life insurance.

The biennial session of the Fidelity Life of Fulton, Ill., will be held in Milwaukee, Sept. 18-20.

## National of U. S. A. General Agents Preparing for Suit

DIGEST OF AGENCY CONTRACT

Dissenters to Hercules Life Claim to Represent 70 Percent of Business in Force

General agents who claim to represent 70 percent of the business in force of the National Life, U. S. A., and who refused to sign a 50 percent graded agency contract offered by the Hercules Life, voted this week to start suit for commuted value of their renewals.

They may seek a \$400,000 judgment. A Chicago actuary is to be employed to calculate the value of commissions. The decision was taken by leaders in the agents protective association formed last year.

### Would Not Better Offer

This followed negotiations with Hercules officials in an effort to obtain better terms than 50 percent graded first and 7½ percent renewal commissions, and to secure separate contracts covering National Life, U. S. A., business

and new writings in the Hercules. The general agents sought a 60 percent graded contract.

General Manager Carl L. Odell of the Hercules stated that ten general agents signed the new contract. Three are known to have signed with other companies. Mr. Odell said the dissenting general agents represent only 12 percent of premium income, at best. He declared 75 percent of the agency situation was cleared up in Michigan, where \$31,000,000 is in force.

According to R. C. Gibson, Vincennes, Ind., former general agent who went with the Lincoln National, the Hercules has waived between \$50,000 and \$75,000 of agency balances of those who have signed the new contract, but Mr. Odell said obligations owed by agents have not been canceled. He said, however, one theory might be that if all contracts are voided upon receivership, so might the agents' notes. Or, that in working out the receivership, such obligations might be used to build a conservation corps.

### Agents Who Are Holding Out

The non-signing general agents are: Indiana—R. C. Gibson; Nebraska—E. T. Keliher, Omaha; Ohio—Mooney Brothers (C. A. and Joseph) Cleveland; Michigan—R. W. Anger, Detroit, and M. A. Blaess, Ann Arbor, who went with other companies; Illinois—J. P. Farmer, S. C. Cyzio and G. W. Wolfe, all of Chicago; W. T. McClintock, Peoria, and E. W. Lindvahl, Waukegan. Details of the agency contract were made public this week by Mr. Gibson.

### Provisions of Contract

The contract in brief provides: The agent agrees to devote his entire time exclusively in representing the company. He may accept a note in an individual transaction between himself and the policyholder, but becomes liable to pay the company immediately in cash. The commission scale is 50 percent graded first year, as presented in The National Underwriter of March 9. No commission is allowed on premiums waived under disability provision. Commissions are earned only as premiums are paid to company—or a premium lien note accepted by company or policy loans made.

The agent acts in a fiduciary capacity, promptly depositing premium and other receipts in a company account from which agent has no authority to make withdrawals. Agents cannot without company's consent maintain a personal account in the same bank.

General agent is responsible for acts of sub-agents and saves the company harmless from any costs, causes of action and damages which may result.

### voids Right to Commissions

If there is a default in payment of a premium for a longer period than six months from expiration of grace period, agent loses right to commissions thereon. If reinstated by home office he is not entitled to commission, but if reinstated through his agency, he is entitled to it.

Agent agrees to devote necessary time to conserve National Life, U. S. A., business, to use his best efforts to cause policy and contract holders whom he wrote or services, or any others referred to him by the company, to continue the policies in force and not lapse them; to answer promptly without expense to company all inquiries and correspondence in regard to such policies and so far as practicable to employ as sub-agents all former agents of National Life, U. S. A., heretofore in his employ.

### Provision Regarding Breach

"Failure on the part of the agent to employ any such former National Life agents (except for good cause) shall constitute a breach of this contract; said agent expressly agrees that he will in no manner, directly or indirectly, induce or endeavor to induce any former National Life policy or contract holder to lapse any policy or contract of insurance reinsured by the company, or discontinue premium payments thereon, or effect from the reinsurance agreement, or effect directly or indirectly in any other company for any such policy or contract holder, any life insurance of the character or similar to the character of insurance heretofore written for the National Life."

Company agrees to pay renewal com-

# STABLE



## firmly established

Continental, founded in 1897, has stood impregnable against the many financial and economic disturbances which have swept the country.

It has grown steadily, becoming one of the foremost multiple line insurance organizations now operating. It is stable, firmly rooted, and its DURABILITY is unquestioned.

In view of past and present business conditions, the value of a Continental connection is obvious.



DURABILITY

# CONTINENTAL CASUALTY ASSURANCE COMPANIES

CHICAGO

ILLINOIS



missions on National Life, U. S. A., business not exceeding 5 percent nor for more than nine years since Oct. 17, 1933. The company's determination of amount of policies issued or assumed by National Life, U. S. A., written under supervision of the agent, shall be final and conclusive. Renewal commission rights voided upon voluntarily leaving company or upon company voiding the contract for cause.

If the contract is terminated within the first year, no renewal commissions on policies sold during the period shall be payable, nor first year and renewal commissions in case contract is terminated for fraud, malfeasance or noncompliance with terms.

"If the agent shall at any time, either before or after the termination of the contract, induce or endeavor to induce the holder of any policy or contract of insurance issued or assumed by the company, or to relinquish any policy or contract of insurance issued or assumed by the company, or induce or endeavor to induce, any agent of the company to leave its service, thereupon any and all first year and renewal commissions to which the agent might otherwise be entitled under this or any other contracts with the company, shall cease and determine."

#### Waive Claim Against Fund

"The agent hereby releases and forever discharges the National Life Insurance Company of the U. S. of A. and Patrick J. Lucey as receiver from any claim or demand whatsoever for commissions, salaries or allowances not actually due and payable to the agent by the National Life on Oct. 17, 1933, and releases and discharges the company from any such claim or demand except as otherwise expressly assumed by the company under this contract."

The contract may be terminated by 30 days written notice mailed to last known address, and, by the company, without 30 days' notice for fraud, malfeasance or noncompliance with terms, or by reason of legislation, court decision or insurance department ruling or requirement which in the company's opinion (of which it shall be the sole judge) renders it expedient for the company to withdraw from the whole or any part of the territory covered by the contract.

#### MAY GET MICHIGAN LICENSE

LANSING, MICH., March 22.—The Michigan department is planning to license the Hercules Life this week following receipt of a modified application. As soon as the license is issued, Deputy Commissioner Wade, receiver for the National Life, U. S. A., in Michigan, will ask for his discharge as receiver to permit the Hercules to take over assets of the other company.

#### Union Central Has New Plan for Handling Policy Loans

The Union Central Life has worked out a system for handling policy loans, so as to discourage excessive borrowing and encourage a definite repayment plan.

Where the policyholder requests a loan by mail and is not available for a personal interview, either at the office or by the agent, a letter and literature are sent out, if possible to discourage the making of loans for any amount, or to limit the amount borrowed to the actual needs of the policyholder and to see that a definite repayment plan is adopted.

The policyholder is told the company desires to assist in obtaining promptly any desired loan, but points out that the step the policyholder contemplates taking is important to him and to his beneficiary and an enclosure on the subject is referred to. The company asks whether it is absolutely necessary that the money be obtained by mortgaging the insurance and if so, what is the least amount with which the assured can manage.

Where a personal interview is arranged, the agent should endeavor, during a preliminary conversation, to size up the policyholder and then should refer to correspondence on file for evidence of previous transactions. The agent should make two calculations, the maximum loan value and the value reserving a margin to cover the next

premium when due. In the meantime, the policyholder could be handed a policy loan booklet.

The Union Central advises that if the assured is not fully determined that he must borrow then the disadvantages of so doing could be pointed out.

If it is a question of the amount needed then the agent should attempt to encourage him to withdraw the least amount possible. He should at least be urged to leave a sufficient margin to cover the next premium. Then he should be urged to take the repayment schedule and get on a definite plan.

#### Complete Company Data for Last Five Years Is Shown

A striking picture of how life insurance companies and life insurance policyholders have fared during the past five years is presented in the financial and business report section of the new 1934 Little Gem Life Chart which will be ready shortly. Beginning with the "boom" year of 1929, this report traces all the interesting changes that have occurred in the troublesome years that followed.

Forcefully illustrating the larger and larger amounts paid to policyholders and

the increasing assets of practically all companies, this report also brings out the trend of each company's premium income, of new insurance written, business in force, business lapsed, dividends paid, surplus to policyholders and many other illuminating features from the record of each company's results annually from 1929 to 1933.

While the Little Gem is best known to the life insurance fraternity for its policy, rate, dividend, net cost and cash value information (to which the largest part of the book is devoted) this special 100-page section treating some 300 companies, will undoubtedly be of particular interest as a record of the trends in each company during the "depression" years. No other similar small life insurance reference book includes such a report.

#### Insurance Counsel Meeting

The annual meeting of the International Association of Insurance Counsel will be held at French Lick, Ind., Aug. 22-24. The decision was made at a meeting of the executive committee of the association at Miami Beach, Fla.

The first issue of the journal which the association has put out will be ready for distribution April 1. It is being edited by George W. Yancey of Birmingham, the president.

#### Fuller to Cincinnati With Prudential, Advance Sanford

Maj. W. S. Fuller, manager of the ordinary department of the Prudential at Davenport, Ia., has been advanced to manager of the Cincinnati office. He will have in his organization branch offices at Columbus and Dayton, with assistant resident managers in each of these offices. His territory will embrace more than 30 counties, including four or five in northern Kentucky.

Major Fuller, a million dollar producer for the Prudential in Chicago, went to Davenport Dec. 1, 1930, as manager of a brand new agency. While in Chicago he was a director of the Chicago Association of Life Underwriters. He is now chairman of the program committee of the Davenport association. For two years he has been a director of the Managers & General Agents Association and has served as secretary for two years. He served in the world war as major in the 344th Infantry.

S. W. Sanford, assistant manager, will succeed him as manager in Davenport. He was for 17 years general agent for the Register Life in Davenport, in charge of its home office agency, and joined the Prudential last year.

# LETTERS THAT SPEAK

for Themselves

**ALFRED M. BEST COMPANY**  
INCORPORATED 1922  
INSURANCE PUBLICATIONS AND REPORTS  
HOME OFFICE: BEST BUILDING, 75 FULTON ST., NEW YORK  
CHICAGO: LOVELAND  
BALTIMORE: HARTY

January 3, 1934

Mr. O. J. Arnold, President,  
Northwestern National Life Insurance Co.,  
Minneapolis, Minn.

Dear Mr. Arnold:

Thank you for your letter of January 2 and preliminary statement of the Northwestern National for December 31, 1933. As usual, I am writing you this letter. Because they are so favorable, I can also add my congratulations on your excellent showing.

In particular, I note that your former excellent liquid position has been still further improved, by between two and three million dollars. Cash and government bonds now amount to almost 17% of your assets, which is a remarkable showing, and accomplished in difficult times. I imagine that this is a great comfort to your policyholders. I note also that you have written your bonds in default down to market value, which is more conservative than required by the Commissioner's Convention value. Your remarks on too large single life insurance companies have long followed me to the point. First class life insurance companies have long followed the rule of small investments greatly diversified and this has been work done in these troublesome times. As we were the first to point out the danger of large single investments in our rating system.


Turning to the future, I feel that the depression has run its course, and that the new year holds better things for all of us. May I take this opportunity, therefore, to wish you, your company, and your policyholders, a more prosperous New Year!

Yours sincerely,  
O. J. Arnold,  
President,  
ALFRED M. BEST COMPANY

420-710

This paper is made from our cotton—our contribution to the

**An EXPRESSION OF OPINION**  
By EMINENT AUTHORITY



**FLITCRAFT LIFE INSURANCE WORKS**  
INCORPORATED IN NEW YORK  
612-63 State Avenue  
OAK PARK, ILLINOIS

January 2, 1934

Mr. O. J. Arnold, President,  
Northwestern National Life Insurance Co.,  
Minneapolis, Minnesota.

Dear Mr. Arnold:

From more than last year, it seems, the company is to be congratulated upon its very liberal financial condition. The company's insurance in force, we understand, shows an increase of 50% over the year, which is a very commendable showing. The production last year, which is the nation's new group insurance, was a record in a year of depression.

It must be especially pleasing to you that all these results are achieved to actual market value by special contingency reserves. The maintenance of the reserve necessary to accomplish this seems to indicate that your investments have been wisely and carefully chosen to secure both safety of principal and certainty of interest.

One can hardly study a statement like yours without a feeling that good legal reserve life insurance is by far the safest and soundest investment available today and that it will continue for a long while to be precisely that.

We extend the best of wishes for your continued success in providing for policyholders with excellent life insurance.

Sincerely yours,  
O. J. Arnold,  
President,  
FLITCRAFT LIFE INSURANCE WORKS

612-63 State Avenue  
OAK PARK, ILLINOIS

**NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY**  
INCORPORATED IN MINNESOTA  
G. J. ARNOLD, President  
STRONG - Minneapolis, Minn. - LIBERAL

## Rewriting of Policies When the Loans Are Heavy

By Herbert G. Shimp

Relative to the recommendations of the Life Insurance Sales Research Bureau, and the conclusions reached from its recent survey, the major argument advanced is that the rewriting of policies impaired by loans results in heavy lapsations. Figures are cited as proof of the unsatisfactory results from such procedure. The business under consideration seems to be entirely maximum loan cases, thus limiting the discussion to only one phase of conservation work, according to our program. Further, the problem is only considered from the company's point of view.

The argument that rewriting of impaired policies causes heavy lapsation is not qualified. There is nothing shown

to the company. In a participating company the dividends may exceed the loan interest by sufficient margin to make the cost of net protection cheaper per thousand of insurance than would be possible with a new policy. Likewise a high premium participating policy if rewritten should be placed on a favorable competitive basis against low rate policies of non-participating companies. Unless the rewriting is done on a sound basis it will always develop unsatisfactory results. The rewriting of maximum loan cases involves a class of business that is always open to the attacks of twisters and the rewritten policy is open to the same attack. Thus the results of rewriting on maximum loan cases must

The question of readjustment or replacement of policies where the equity has been all exhausted or heavily impaired through policy loans is one of great current interest and is regarded as one of primary importance to the men in the field as well as to home offices. Herbert G. Shimp, the contributor of the accompanying article, is president of the American Conservation Company of Chicago, which does adjustment work for companies.

as to what consideration was given of other very important factors. Was the case a proper one to rewrite? Was the assured in a position to pay from his current income the future premiums as they became due? Was he employed? Why was the loan made? Did the assured plan and seem able to repay his loan? Did he understand the benefits secured by the rewriting? Thus the report criticizes the rewriting of impaired policies and gives no insight whatever to the other factors that are vitally important.

### Chief Cause of Lapsation of Insurance Policies

Rewriting is not the cause of lapsations. The great majority of lapses are caused by lack of money to pay premiums. This was particularly true in 1931 and 1932. Many assureds had to make loans for living expenses. They discussed the problem with their agent who suggested rewriting on a lower premium payment basis and when the next premium was due they could not pay it. What the rewriting really effected in a great many cases was an extension of the period of insurance for which the company received a premium, otherwise the lapsation would have occurred at the time of rewriting.

Therefore, the figures cited are meaningless. They include a period when thousands of policyholders were forced to borrow on their life insurance. Many were out of work and had no possibility of continuing the insurance. They made the best effort possible to continue. The only thing that the lapsation proves is that the assureds could not, and did not, pay the future premiums.

### Higher Cost for Less Insurance Held to Be Ridiculous

The argument is advanced that policies with maximum loans where premiums were paid for a year following the date of the loan produced as persistent business as any other type. This only proves the assured's ability to pay premiums, plus interest. The argument that increasing the cost of reduced protection makes for persistency is obviously ridiculous. If the policy was rewritten and the assured's circumstances did not change and he lapsed the policy, then the fault is entirely that of the company or the agent for making an improper adjustment and not demonstrating to the assured the benefit that he had secured.

Sound practice in rewriting impaired policies involves a most careful and accurate selection of the proper cases. The rewriting must be favorable to the assured and at the same time entirely fair

also include consideration of this possibility.

The agency situation is considered from the standpoint of discouraging rewriting by permitting only a minimum amount of such adjusted cases. The tendency of agents to encourage rewriting in order to secure new commissions and the difficulty of declining such requests is shown by the recommendation to not advise agents about any rewriting plan that the company may have adopted. Likewise the recommendation for an "unfavorable" list of agents who rewrite too many cases reflecting promiscuous rewriting solely for the sake of commissions.

The discussion does not mention the assured's interest. From all that is said the viewpoint is that the companies are deciding what they will do with the policyholders' money. The fact that in many cases the companies face the duty

(CONTINUED ON PAGE 21)

## Sue Living Policyholder on Fraudulent Statement

SOUTH BEND, IND., March 22.—The Columbian National Life has filed suit in the federal court here against J. L. Wallerstein of Michigan City, Ind., for \$20,000 to offset the amount which it claims it will be compelled to pay under three \$5,000 policies which Mr. Wallerstein now holds. The policies were issued Sept. 22, 1928, and two contained disability clauses providing payments totaling \$100 per month. It is alleged that the applicant represented himself to be in good health; whereas he actually had diabetes and had been taking treatment for it. In 1929, the complaint charges, he obtained benefits under a New York Life policy previously taken, and represented at that time that he had been sick two years.

The Columbian National Life claims, in its complaint, that because of the clause making the policies incontestable after one year, it will be compelled to pay Mr. Wallerstein disability payments for the rest of his life, and pay the principal sum to his beneficiaries on his death. To offset this liability, the company demands a judgment of \$20,000, on the ground that the policies were obtained through false and fraudulent statements in his application.

## Month Before Age Change Is Found Most Profitable

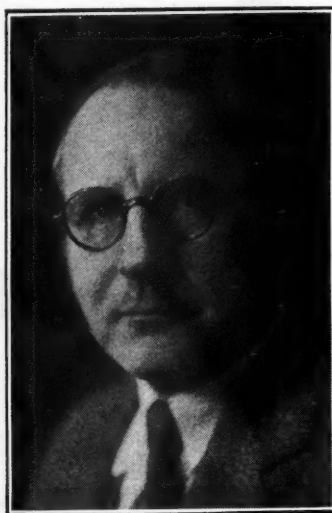
Nearly 25 percent of all applications for life insurance are signed in the month before change of age, or well over twice the number signed in any other month, the Sales Research Bureau of Hartford reports. In the month after change of age, fewer applications are completed than in any other similar period, only 3.2 percent. Data used in the present study were taken from 3,100 consecutive applications received by two large companies whose experience is regarded as typical for purposes of the analysis.

H. W. Tryloff, district manager for the Sun Life of Canada, Mt. Clemens, Mich., is the new president of the board of commerce there.

## Indianapolis Life Men Advance



J. R. MAYFIELD



A. LEROY PORTEUS

Two Indianapolis Life men who have received promotion at the home office are well known to all those who come in contact with that company.

J. R. Mayfield has been made agency manager, being promoted from assistant agency manager. He started with the company as a rate book man in southern Indiana and was successful as

a personal producer. Later he became field supervisor. Therefore he knows the problems of the men out on the firing line.

A. Leroy Portteus has been elected vice-president. He started with the company in 1906 and served as cashier, treasurer and then secretary before his recent advancement.

## Southern Round Table to Have Annual Conference

WILL MEET AT GREENSBORO

Life Advertisers Association Has Arranged a Program of Practical Talks and Discussions

The annual meeting of the southern round table of the Life Advertisers Association has been scheduled for the Sedgewick Inn at Greensboro, N. C., April 9-11. Julian Price, president Jefferson Standard Life, will give the address of welcome. N. A. White, Provident Mutual Life, will discuss direct mail advertising and T. M. Rodlum, Acacia Mutual, will lead the discussion. Miss Mary Taylor of the Jefferson Standard will speak on "House Magazines" and the discussion leader will be Miss Chlo Peterson of the Business Men's Assurance. C. C. Robinson of "The Insurance Salesman" has selected as his subject, "Getting Them to Use Your Stuff." Rex Magee, Lamar Life, will talk on "Annual Statements as Canvassing Documents," the discussion leader being A. E. Babbitt, vice-president and actuary Lamar Life. J. M. Waddell, agency manager of the Pilot Life, will talk on "Prospecting." Seneca Gamble of Chattanooga will speak on "Sales Folders," the discussion leader being Karl Ljung, Jr., of the Jefferson Standard.

Smith to Discuss Radio Advertising

C. S. Smith, National Life & Accident, whose company maintains a radio station at Nashville, will give a talk on "Radio Advertising," the discussion leader being Emmett Russell of the Life & Casualty of Nashville. In the open forum, R. G. Richards, Atlantic Life, will discuss "Letterheads," Miss Clara L. Noyes, Union Cooperative of Washington, D. C., "Blotters," and J. M. Ehle of the Imperial Life of North Carolina, "Calendars."

On the second day, Insurance Commissioner D. C. Boney will give a talk on insurance departments and their service to the public and the companies. Bart Leiper, Pilot Life, will speak on "Sales Promotion," the discussion leader being John Murphy, Pan-American Life. W. L. Brooks, general agent Jefferson Standard Life, will tell how the advertising men can best help the field. C. E. Ward, vice-president of the Shenandoah Life, will lead the discussion. T. J. Hammer of the Protective Life, chairman of the exhibits committee, will make the award to winners.

## Life Agents to Be Licensed Under New Kentucky Statute

LOUISVILLE, March 22.—The Kentucky legislature has passed a life agents' qualification bill which has been signed by the governor. It provides that the applicant set forth his qualifications in his application for a license, namely, his familiarity with the life insurance laws, provisions of the contracts, insurance experience and what instruction he has had or expects to receive. The act provides an agent is entitled to place the excess or rejected risks in another company. Licenses will expire annually on March 1. The act also requires the life companies to file statement of facts on the termination of employment of any agent. The measure provides for the revocation of licenses for any violation of the insurance law, misleading presentation or fraudulent comparison of policies of a company for the purpose of inducing policyholders to lapse, forfeit or surrender any insurance. The act applies only to company representatives on a commission basis.

A bill was killed in the Kentucky legislature which would have increased the life insurance license tax from 2 to 3 percent.



### Insurance Sales for 1934 Showing Substantial Gains

An increase of 16.5 percent in paid business and 27 percent in the number of lives is reported by the Northwestern Mutual Life for January and February. Two-thirds of the company's agencies showed a gain in paid for business the first two months, according to Grant L. Hill, director of agencies, and all the company's 25 largest agencies showed gains.

\* \* \*

Paid business of \$1,102,908 on 391 policies was produced by the Toledo agency of the Equitable Life of New York in two months ending March 14. The special campaign was in recognition of the completion of 20 years' service with the company by O. B. Haller, agency manager. About \$250,000 added business was written but not paid for in the two months' period. A testimonial dinner marked the close of the campaign. William Rothaermel, Chicago, superintendent of agencies for central states, and H. J. Rossmar, New York, assistant to the vice-president, were present.

\* \* \*

A paid-production in February that exceeded January's and gave the Guardian Life a 17.5 percent increase for the first two months of 1934, is reported. Last month's increase in paid-for over the corresponding month a year ago, was its fourth consecutive "best month" and the seventh in the eight months of the current club year, which started July 1, 1933.

\* \* \*

New paid business of the Great-West Life, according to H. W. Manning, assistant general manager, shows an increase of 35 percent for January and February.

\* \* \*

The George Washington Life of Charleston, W. Va., reports an increase of over 46 percent in volume of new applications for life insurance written in February, as compared to February, 1933. This, together with the increase which was shown for January over January, 1933, and the further fact that the business is well distributed over the territory east of the Mississippi in which the company operates, appears to indicate a continued and steady improvement in business conditions throughout the country.

\* \* \*

Gains of 83 percent in new paid-for business for the first two months of this year compared with the same months last year are reported by the Lamar Life. February production showed a gain of 94.9 percent and January production a gain of 71.8 percent over the corresponding months last year.

\* \* \*

The Midwest Life of Nebraska reports that business issued in January showed nearly 150 percent increase, while February totals were 45 percent greater.

\* \* \*

For the first two and a half months of 1934 the premium income of the Washington National showed the greatest increase ever made during any equal period in its history. Increases are reported in every department of the business.

\* \* \*

P. C. Creamer, district manager Southwestern Life of Dallas, says that the first two and one-half months of 1934 show an increase in paid business of 33 1/2 percent.

\* \* \*

O. B. Krezdorn, supervisor of the Business Men's Assurance for south-west Texas and the Rio Grande valley, states that business in his district showed a 100 percent increase in February.

\* \* \*

The Southwestern Life of Dallas increased its sales \$2,575,031 in the first two months of 1934, applications showing a gain of 1,474.

\* \* \*

Lyne & Sons, Pittsburgh agency for the Union Central Life, reports an in-

crease of 12 percent in February. Sales to date are ahead 44 percent.

### Bill to Halt Canadian Racket

TORONTO, March 22.—Traffic in life policies by inducing policyholders to give an assignment for cash payment considerably less than the sum later obtained by the "racketeer" upon surrender to the company, will be eliminated under amendments to the insurance act presented to the Ontario legislature by Attorney-General W. H. Price. The bill prohibits "twisting;" agents are forbidden to make misleading statements or representations "in the solicitation or negotiation of insurance, or propose directly or indirectly to coerce a prospective buyer of insurance through the influence of a business or professional relationship or otherwise."

### Cousins in Home Office

W. C. Cousins, until recently in the State Mutual general agency at Worcester, has gone into the life agency department of the Aetna Life in Hartford. Mr. Cousins will work with agencies in New York state and beyond.

E. P. Magee, Lansing, Mich., manager Canada Life, has been elected president of the Lansing Lions Club.

### Financial Section Parley Does Not Produce Hot Tips

### FALL BACK ON GOVERNMENTS

### American Life Convention People Find Yield on Good Bonds Other Than Federal Too Low

Anyone who attended the special meeting in Chicago of the Financial Section of the American Life Convention with the expectation of getting a hot tip on securities that might be purchased at a yield to cover life insurance maturities and offer fair prospect as to safety of principal, was disappointed. Railroad, utility, municipal and state bonds that were regarded by participants in the discussion as sound are selling at a price to produce a yield little, if any, better than federal bonds.

President George A. Boissard of the National Guardian Life of Madison, Wis., summed it up when he said that good bonds are too high and said he is buying governments and waiting until the clouds roll by.

Despite the fact there were no hot tips to be obtained, the discussion was

lively and profitable. O. J. Lacy, vice-president of the Minnesota Mutual Life, presided in the morning as chairman of the Financial Section. Frank J. Travers, financial secretary Lincoln National Life, led off with a prepared paper on railroad securities in which he expressed views somewhat more optimistic than are generally heard as to this type of investment.

Then there was an informal discussion of municipals in which the proposal was pondered of enlisting the good offices of the American Life Convention for the exchange of information and possibly collective action in connection with issues which get into trouble. The proposal was advanced by Harry V. Wade, assistant to the president, United Mutual Life of Indianapolis. Final decision was to refer the question to the municipal bond committee of the A. L. C. with authority to try out the plan in connection with one or two issues and make recommendations later.

Mr. Travers then presented a paper on utility investments, in which he expressed the belief that despite the unfavorable political situation facing utilities, the electric power companies, particularly, still have a brilliant outlook.

The luncheon and early afternoon session was devoted to discussion of the problems of the institutional landlord in

(CONTINUED ON PAGE 22)

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**N-O-W**  
we're  
**Ready !!**

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Nearly three years ago we discontinued searching for new General Agents.

*Since Then*

Our own sales force has been developing an Organized Sales Plan that means certain success to HIM, who—with respect to his own working habits—can say "I will."

*The Plan Perfected*

The boys are now willing to share their secret with a few select friends. So Minnesota Mutual is again ready to consider General Agency Appointments—offering a real contract and a crucible tested plan.

*Interested?*

Then say the word and we'll tell you our story.

**THE MINNESOTA MUTUAL LIFE INSURANCE CO.**  
SAINT PAUL

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## Lasting Effects in Great Drive Seen

(CONTINUED FROM PAGE 1)

In an inspirational address giving practical sales pointers, Gage E. Tarbell, one of the titans of an earlier day, sent Greater New York agents of the Equitable of New York off to a flying start. Mr. Tarbell, former general agent, then, agency vice-president, and now director of the Equitable, addressed a meeting sponsored by the association of the company's managers in the New York metropolitan area. Other speakers were F. J. Mulligan, president New York City Life Underwriters Association, and Isidor Hirschfeld, a leading producer. The disbursements by life companies since 1929 are something that every agent should be proud to tell, Mr. Tarbell declared. Horace Wilson, president managers association, presided.

### Program Over Loud Speaker

Vice-president G. W. Munsick and Assistant Secretaries G. H. Chace and A. E. N. Gray of the Prudential addressed the H. L. Wofford (New York City) agency by telephone loudspeaker.

In Hartford, D. Gordon Hunter, agency vice-president Phoenix Mutual, opened the week's program with a talk on "Streamlining in 1934." Arthur O'Donnell of the Aetna Life and B. L. Mullins, Connecticut Mutual, addressed service clubs. A. E. N. Gray, assistant secretary Prudential, was principal speaker on "Let's Get a Picture We Can Understand," before the Hartford Life Underwriters Association Tuesday noon.

Mr. Gray suggested a formula for determining what form of policy a prospect should take. The formula calls for taking as much protection as is needed plus as much investment as the buyer can afford. Mr. Gray believes that much changing of policies would be avoided if both agents and assured had a clear understanding of the fundamental relation between investment and protection in the policy.

The record of stability, safety and value of life insurance during the depression was stressed by M. J. Cleary, president Northwestern Mutual Life, at a breakfast in Milwaukee attended by more than 1,000 agents and officials. Importance of life insurance was emphasized by Judge J. C. Karel, president Equitable Reserve Association and vice-president National Fraternal Congress. H. L. Minton, Travelers, general chairman for the week, was toastmaster. Life companies have made a great record in the four years of depression, said Mr. Cleary. Great public confidence has been evidenced in life insurance.

Every husband and father owes his family the protection of life insurance, said Judge Karel. Life insurance has not failed those who put their trust in it.

### Large Gathering in Chicago

A breakfast of nearly 1,400 Chicago life agents opened the week there. President R. L. Davis of the Chicago Association of Life Underwriters presided. Paul Speicher of Indianapolis, speaking

on "The Unanswerable Logic of Life Insurance," said that people who are farsighted are not content with mere accumulation of money, but also are seeking profitable investments and financial security. They are learning more and more each year that the safest, surest and least hazardous form of investment is life insurance. H. W. Anderson, Rockwood Company, was chairman of the general committee for the week.

### Observance in Pittsburgh

More than 1,200 life agents of Allegheny county, Pa., heard two inspiring addresses at breakfast in Pittsburgh March 19 under auspices of the Pittsburgh Life Underwriters Association. R. B. Hull, managing director National Association of Life Underwriters, New York, spoke on "Go Out and Preach Your Gospel." G. Franklin Ream, assistant superintendent of agencies Mutual Benefit, talked on "The Past and the Future."

Mr. Hull prefaced his address by telling of steps taken by the National association in opposition to the proposed federal tax on annuities now before the U. S. Senate, and offered to bet even money that the tax would not be approved by the Senate committee. He discussed the NRA program, pointing out that life insurance reserves might be endangered if the NRA should fail. Life insurance with its \$21,000,000,000 reserves, forms a first line defense against communism and socialistic tendencies in this country, he said.

Mr. Ream stated the American people are standing on the threshold of a great conquest of economic freedom or financial independence. The breakfast was in charge of a general committee headed by C. B. Metheny.

Over 700 agents attended a 7 o'clock breakfast Monday in Indianapolis. C. F. Maetschke, president Indianapolis association, presided. Commissioner McClain paid tribute to life insurance business and gave assurance of his department's complete cooperation. H. A. Chipman, agency manager Equitable of New York, introduced by H. L. Rogers, agency manager of the company in Indianapolis, showed that funds of life companies are securely placed in sound non-speculative securities. He urged that prospects be shown the importance of protecting the progress they have made in the accumulation of resources by means of life insurance. At a closing meeting Saturday noon, Paul Speicher of Indianapolis will talk.

### Activities in Rhode Island

Observance in Providence, R. I., started on March 19 with a breakfast, President H. M. Gorton of the Rhode Island Life Underwriters' Association presiding. Commissioner Heltzen and Rt. Rev. Granville G. Bennett were principal speakers. Eben Luther was general chairman of the activities.

In St. Louis observance upwards of 1,000 agents attended a breakfast rally. The high spot was March 22 when a sales congress was conducted with John Morrell, associate manager Equitable of New York in Chicago; Paul Speicher of Indianapolis and F. H. Davis of Philadelphia, vice-president Penn Mutual, as speakers.

The congress was preceded by a noon

meeting of the managers and general agents association, presided over by E. J. Burkley, manager Phoenix Mutual.

Ottis Lucas, sales promotion manager Studebaker Motor Corporation, made the chief address at the "early bird" breakfast of the South Bend (Ind.) Life Underwriters Association, at which the week's program was launched.

### Dr. Rockwell in Address

In St. Paul, Minn., a series of daily meetings was held, all addressed by Dr. C. J. Rockwell. In Minneapolis similar meetings were held with different speakers, some of the talks being broadcast.

President A. F. Hall of the Lincoln National Life, Fort Wayne, Ind., speaking at a meeting opening the observance in that city, said the life companies in this country in the last four years have paid out twice as much as President Roosevelt estimates will be necessary in various forms of relief to restore normal prosperity. More than \$13,500,000,000 in death claims and other payments to policyholders and beneficiaries has gone out in the period, he said, and \$3,650,000,000 has been loaned to the U. S. government, corporations and property owners.

About 200 life underwriters attended the Kansas City association's breakfast March 19. The Rev. L. M. Doreen gave an inspirational address on "Defending the Remainder."

Under the leadership of Dave Noble, president Omaha Life Underwriters Association, life agents took active part. There were 20 speakers, among them being Mayor Towl, Mr. Noble, De E. Bradshaw, head Woodmen of the World; A. A. Greenspan, Guarantee Mutual Life; Prof. C. J. Courtney, Creighton University.

### Activities on West Coast

The week commenced in Oakland, Cal., with a "Let's Go" morning meeting Monday under auspices of the East Bay Life Underwriters Association. Pete Murman, manager Equitable of N. Y., was principal speaker. There were several four-minute talks by committee chairmen. R. P. Shapiro, president of the association, presided.

A sales congress under auspices of the Des Moines Association of Life Underwriters is being held Friday, speakers including H. J. Cummings, vice-president Minnesota Mutual; W. A. Irwin, economics professor Washburn college, Topeka, Kan., and H. A. Hedges, general agent Equitable Life of Iowa, Kansas City, Mo. President A. M. Pickford is presiding.

Intrastate long distance telephone conference was employed Monday by A. A. Heald of Milwaukee, Wisconsin general agent Provident Mutual, in speaking to his agents in seven cities.

### Commissioner Goes on Air

A warning against the "honey-tongued twister" and advice to buy life insurance only from companies licensed in the state were broadcast by Commissioner Riley of Mississippi over WJDX, the Lamar Life station, in the first of a series of programs of the Mississippi Association of Life Underwriters.

Cincinnati life agents opened the week with a breakfast Monday, 300 attending.

## Official of the Abraham Lincoln Dies Suddenly



JAMES FAIRLIE

James Fairlie, first vice-president and actuary of the Abraham Lincoln Life, died suddenly Tuesday evening at his home in Springfield, Ill., of heart disease. He had been at the office during the day and suffered no complaints.

He was born in 1892 in L'Original, Ont., and was educated at Queens university, Kingston, Can. He was connected for a time with the actuarial department of the Manufacturers Life of Canada and then with the Franklin Life of Illinois. He served as actuary of the Iowa insurance department and then for eight years in the same capacity with the Illinois insurance department. He joined the Mutual Life of Illinois, now the Abraham Lincoln, as vice-president and actuary.

Mr. Fairlie was perpetual chairman of the golf committee at the meetings of the American Life Convention. He was a member of the Actuarial Society of America and at one time served as vice-president of the American Institute of Actuaries.

Stanley Martin, John Hancock, Columbus, gave an address. He has been a million-dollar producer and has written \$500,000 this year to date.

Leon Gilbert Simon, New York, who was scheduled to give a talk Thursday at the sales congress on "Business Insurance" was unable to attend.

Observance of the week in Madison, Wis., under General Chairman M. G. Huber, supervisor Aetna Life, started with a breakfast meeting of agents of Madison, Dane county and other parts of southern and southwestern Wisconsin. L. O. Schriver, general agent Aetna Life, Peoria, Ill., and second vice-president National Association of Life Underwriters, was the speaker. Radio addresses were made by state officials, judges and educators.

### Big Gathering in Detroit

W. R. Chapman, assistant director of agencies Northwestern Mutual Life, Milwaukee, formerly of Wheeling, fired the opening gun in Wheeling at a noon meeting Monday. President E. D. Wilson of the Wheeling Life Underwriters Association, was in the chair. Mr. Chapman said life insurance is the cornerstone of a man's financial structure. R. B. Hull, managing director National Association of Life Underwriters, addressed a meeting of the Rotary Club.

More than 800 agents in Detroit met Monday morning to hear Vice-president F. H. Davis of the Penn Mutual, talk on "Today's Opportunities." President C. A. Macauley of the Qualified Life Underwriters, John Hancock, presided. J. B. Macken, manager Mutual Life, was general chairman for the week.

## FIGURES FROM DECEMBER 31, 1933 STATEMENTS

	Total Assets	Inc. in Assets	Surplus to Pol.	Sec. Pluc. Res.	New Bus. 1933	Ins. in Force Dec. 31, 1933	Change in Ins. in Force	Prem. Income 1933	Total Income 1933	Benefits Paid 1933	Total Disburse. 1933
Bldg. & Loan, W. Va.	223,302	-21,317	44,394	.....	122,856	1,945,991	-1,211,448	9,856	64,693	5,059	223,302
Central Life, Ia.	50,057,658	12,652,129	13,040,089	.....	76,970,253	228,017,449	53,969,992	6,472,468	126,428,501	6,675,582	115,946,763
Columbia Catholic, Ia.	49,897	11,225	28,334	.....	553,525	894,575	334,525	26,532	31,126	3,397	24,497
Church Life	1,904,299	179,132	866,527	a50,000	1,165,000	17,051,269	522,058	489,498	565,284	336,357	439,067
Continental Life, D. C.	2,994,820	184,795	.....	.....	331,271,504	438,821,915	1,641,296	1,659,545	1,699,380	567,059	1,553,226
Crown Life, Can.	18,893,082	1,000,451	543,575	.....	22,766,432	138,821,915	1,641,296	4,248,095	5,462,065	2,931,941	4,679,337
Fed. L. & Cas., Mich.	764,444	-4,495	573,151	15,000	119,500	320,000	5,500	68,284	68,796	.....	62,257
Guar. Securities, Kan.	357,614	-59,951	57,059	.....	1,119,125	5,722,722	-1,191,547	103,216	133,497	27,421	295,065
Republic Life, Tex.	948,703	-420,638	29,859	.....	5,499,325	13,359,264	-63,586	393,562	422,530	155,716	484,525
Sec. Plan Life, Minn.	21,741	1,601	4,044	.....	173,285	173,285	-82,280	3,358	5,410	75	3,984
Trinity Life, Tex.	235,955	95,976	151,305	.....	5,936,342	7,043,342	5,449,342	90,316	208,152	9,729	135,264

\*Including Illinois Life fund, \$12,171,329.

†Excluding Illinois Life surplus.

‡Including Illinois Life income, \$19,483,486.

§Including Illinois Life fund disb., \$7,886,953.

aContingency reserve.

bOrd. \$1,868,378, Ind. \$29,403,126. cOrd. \$6,277,538, Ind. \$36,803,859. dOrd. \$342,405, Ind. \$3,148,453.

eLife department.



## Governor Murray Orders Fraternal's Licenses Voided

### STEP IN BACK TAX ACTION

Commissioner Read Begins to Authorize 32 Societies on Attorney-General's Ruling

OKLAHOMA CITY, March 22.—By executive order of Governor Murray, Commissioner Read was directed to revoke licenses of 32 fraternal societies for failure to pay back taxes, admittance fees and penalties claimed due the state since statehood. This was the final step of the governor's effort to collect a 2 percent tax and penalties on approximately \$2,000,000 premiums over a long period.

The order directs the commissioner not to permit any of the societies named to operate in Oklahoma, and to revoke licenses of those that have "failed to comply with the law," until further ordered or "until they obey the constitution and laws of this state."

It is claimed the law provides for payment of \$200 annual admission fee, and 2 percent premium tax, for failure to pay which an insurance company shall forfeit and pay to the commissioner in addition to the tax, the sum of \$500, and shall be debarred from operating in the state until the taxes and penalties are fully paid.

The governor alleges that the companies named in the order have violated the law in that they seem to have written old line or legal reserve life insurance in competition with old line companies while claiming to be fraternal.

#### Read Outlines Position

Mr. Reid replied that the fraternal insurance board composed of the commissioner and four appointees of the governor, met Feb. 5, and instructed Mr. Read, as secretary, to issue the licenses. He started to do so this week under a ruling by the attorney-general.

More than 30 suits have been filed against the fraternal societies but none has been tried on its merits. However a default judgment for \$31,340 was rendered against the American Insurance Union of Ohio, by the district court of Oklahoma county.

The executive order involves all foreign fraternal societies in the state, Mr. Read said. He estimated their total premiums to be \$2,000,000, thus entailing \$40,000 taxes if the governor's claim should be sustained. Mr. Read estimated penalties and admission fees claimed would total \$1,000,000.

The companies listed in the order are: American Insurance Union, Supreme Camp of American Woodmen, the American Woodmen, Ben Hur Life Association, Buffalo Life Association, Chicago Fraternal Life Association, Degree of Honor Protective Association, Catholic Order of Foresters, Independent Order of Foresters, Women's Catholic Order of Foresters, Homesteaders Life Association, Knights of Columbus, Aid Association for Lutherans, Lutherans' Mutual Aid Society, Maccabees, Modern Woodmen, National Benevolent Society, Police & Firemen's Insurance Association, Polish Roman Catholics Union of America, Modern Order of Praetorians, Royal Neighbors of America, Security Benefit Association, Travelers Protective Association, Order of United Commercial Travelers, Western Bohemian Fraternal Association, Women's Benefit Association, Supreme Forest of Woodmen Circle, Sovereign Camp of Woodmen of the World, Woodmen Union Life, Yeomen Mutual Life.

The Modern Order of Praetorians, Modern Woodmen of America and Homesteaders Life Association, against which the state filed suits in Oklahoma county district court, secured removal to federal court because of diversity of citizenship.

Most of the fraternal societies involved in Oklahoma difficulties are members of

## Illinois Mutual Benefit Associations Will Meet

A number of the officials of the Illinois mutual benefit associations will hold a meeting for a few days in Effingham, Ill. The insurance division of the Illinois chamber of commerce issued a statement calling attention to the fact that the Illinois laws were not sufficiently stringent to protect policyholders of these organizations. There are some well managed mutual benefit associations in the state that are rendering a splendid service, especially in the rural districts. There are many others, however, that are in the hands of exploiters that are not paying their claims as they should and are taking advantage of the credulity of the people. The Illinois chamber of commerce is interested in protecting the people against mutual benefit associations that are mere "rackets" and desires to draw a line very definitely between those that are regarded as trustworthy and those that are not. The better class of mutual benefit associations feel that the broadside of the Illinois chamber might be misconstrued as being opposed to all of the class. Therefore they feel it necessary to counteract this campaign of the Illinois chamber.

#### OPPOSED UNLICENSED MAIL DRIVES

In view of the fact that the Wisconsin and other departments have published warnings against non-admitted benevolent societies operating by mail, the insurance committee of the Illinois Chamber of Commerce caused an investigation to be made of these concerns, which are domiciled in Illinois, and which are the subject of complaint in other states. The insurance committee objects to these Illinois concerns operating without a license in other states.

Among the Illinois concerns which are listed by the Wisconsin department, as having been the subject of complaint, is the Capital State Mutual Benefit Association of Willow Hill, Ill. The insurance committee finds that this concern paid death claims last year \$20,765; incurred operating expenses of \$55,964; has assets of \$13,108; has unpaid claims of \$1,649; total liabilities \$2,337; members in good standing 4,933.

The Covenant Mutual Benefit of Lawrenceville, Ill., paid death claims \$1,374; operating expenses, \$8,366; assets, \$8,395; unpaid claims, \$6,480; total liabilities, \$7,129; members, 2,785.

The Fairfield Mutual Life Association of Chicago paid death claims \$3,760; operating expenses \$3,323; assets \$3,266; unpaid claims \$365; liabilities \$365; members 366.

The Fidelity Mutual Benefit Association of Rockford paid death claims \$6,522; expenses \$16,310; assets \$3,712; unpaid claims \$2,415; total liabilities \$3,126; members 3,130.

The Great Northern Estate Corporation of Rockford paid death claims \$20,474; expenses \$36,811; assets \$12,175; unpaid claims \$6,869; liabilities \$7,258; members 7,086.

The United Benefit Association of Willow Hill paid death claims \$4,749,

the National Fraternal Congress, which is keeping close watch on the situation. The societies have cooperated in retaining the same law firms. Among these are H. L. Stewart of Ledbetter, Stewart, Bell & Ledbetter, and Judge F. A. Wagoner of Oklahoma City, and Judge Searcy of Tulsa. It is believed that most of the societies will seek removal to federal court.

It was voted at a meeting Monday of the state fraternal insurance board that all fraternal societies which heretofore have qualified and are operating in Oklahoma shall be relicensed. The meeting was called at the request of Commissioner Read, following the order from the governor. Three of the five members held in effect that Governor Murray is wrong.

expenses \$5,066, assets \$3,637, unpaid claims \$993, liabilities \$1,024 and members 266.

The Illinois insurance department points out that practically all of the mutual benefit associations spend more money for expenses than for payment of benefits. Most of the associations

have drastic limitations and the Illinois insurance department is making every effort to reduce these limitations.

On Feb. 14 the United American Benefit Association was referred to the Illinois attorney-general with the request he take such action as necessary to have a receiver appointed.

## Outstanding Stability

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## THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION, PUBLISHED EVERY FRIDAY

By THE NATIONAL UNDERWRITER COMPANY, Chicago, Cincinnati and New York  
PUBLICATION OFFICE, A1946 Insurance Exchange, CHICAGO. Telephone Wabash 2704  
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EDITORIAL DEPT.  
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1127 Fidelity-Philadelphia Bldg., Tel. Pen 3700, HARRY C. MOUNTAIN, Resident Manager  
Subscription Price \$8.00 a year; in Canada, \$5.50 a year. Single Copies, 15 cents. In  
Combination with The National Underwriter Fire and Casualty, \$5.50 a year; Canada, \$10.50.  
Entered as Second-class Matter June 9, 1900, at Post Office at Chicago, Ill., Under Act,  
March 3, 1879.

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### The Burden of Old Age

THE tragic era of today is bringing an entirely new outlook on the economic and social horizon. It is engendering new and greater responsibilities. We have always had old age dependency. Old age poverty has been a grievous problem. It is heightened now a hundred fold.

Prior to 1929 when prosperity was with us in many aspects, one out of every three persons over 65 years of age was forced to depend on charity or support of relatives. That ratio is now greatly increased for very logical reasons.

Unemployment has been manifesting itself in no uncertain degree. When the demand for workers is greater, the ones chosen will be the younger persons. We are shortening hours, but that will not take up the slack. These bewildering days have materially increased the ratio of persons beyond 50 to the total population. The National Division of Statistics estimates that by 1950, at least 25 per cent of the people will be over 50.

A writer in the October "New Outlook" calls attention to the seriousness of the increasing old age ratio. The old age group according to the last census numbered 21,000,057. The number over 65 years increased 34 per cent between 1920 and 1930 and the group is still increasing.

Economic conditions are lowering the birth rate, now the lowest on record in our land. In dealing with old age dependency some 17 states have passed old age pension laws, 10 being mandatory which place the care of the needy

above age 75 on state and local governments. When these statutes went into effect it was estimated that 1,000,000 people would be the maximum requiring governmental support. Labor Bureau reports put the carrying charge at \$14.32 a month. That was not a great burden.

Now these calculations are all upset. The support of the older ones and the unemployed has been a severe strain on those still earning a living. Along with this responsibility, taxes have greatly increased.

As the writer quoted points out, in California, the first state to pass an old age pension law, the cost per capita is now 47 cents. By 1935 it is estimated the cost will be \$4,000,000. In 1932 New York's old age pension outlay was \$15,000,000. In New York City during the last three years \$19,586,671 was paid for old age support.

It will be impossible for the traffic to bear this tremendously increasing burden along with other rapidly rising public demands.

It would seem that the arguments for the proper provision of old age through the medium of life insurance have been greatly accentuated. During the fruitful and earning years, it is incumbent on all to see to it that old age be foreseen and looked out for. With the policy of employers of selecting only those of rosy years, people will be more helpless in finding remunerative work. Life insurance points the way at least to a partial solution of the old age dependency problem.

### Amount of National Income

WHILE large sums are being paid by the federal government for projects in the hope of getting more people at work and starting the industrial and commercial wheels going more persistently, it is interesting to see just what the national income in this country is. It has had quite a slump since 1929, when our national income was \$81,000,000,000. A year later it was \$75,400,000,000. In

1931 it slumped to \$63,300,000,000, in 1932 it was \$49,000,000,000. There have been no figures made for last year.

In competition there is always the temptation to go to the extremes and belittle a competitor. Clean competition strengthens one's work but once mudslinging starts the thrower is pretty sure to get spattered himself.

## PERSONAL SIDE OF BUSINESS

F. L. Conklin, secretary and manager of the Provident Life of Bismarck, N. D., accompanied by Mrs. Conklin, returned last week from a vacation trip which included southern France, Italy and Egypt.

Rosa Ponselle, famous dramatic soprano, recently selected Miss Gale Giles of Kansas City as her accompanist for the remainder of the season. W. L. Butler, Kansas City salesman for the Business Men's Assurance, decided that Miss Giles should be protected, and provided her with a new silver anniversary special policy.

On March 15, 1905, Alfred C. Newell of Atlanta, wrote his first application as a Columbian National general agent on the life of Frank Hawkins, now chairman emeritus of the board of directors of the Citizens & Southern National Bank of Atlanta, a director of the Columbian National Life and an outstanding southern financier. Mr. Newell is the oldest Columbian National general agent in years of service and Mr. Hawkins' policy was the first one to be issued in the southern states. This policy is now paid up.

The same pride which he has shown in his community has characterized his business progress, and he is recognized as an outstanding figure in life insurance.

P. K. Lutken, executive vice-president of the Lamar Life, has been appointed one of the three members of the NRA adjustment board for Mississippi.

M. L. Woodward, Detroit general agent of the Northwestern Mutual, was host to W. T. Gage, who retired as general agent for the Northwestern Mutual in 1924, at a luncheon celebrating his 90th birthday. The entire agency force and employees of the general agency were present. Mr. Gage is the oldest licensed underwriter in Michigan and the oldest living past president of the Detroit association.

J. H. Leaver, vice-president and superintendent of agencies of the Central Life of Des Moines, who has been in San Francisco on business for his company, will visit southern California and the Pacific Northwest before returning home.

James F. Ramey, vice-president and secretary of the Washington National, is recovering from an appendicitis operation in an Orlando, Fla., hospital. He was visiting in a town near Orlando when he was stricken five weeks ago. Mrs. Ramey has been with him. Mr. Ramey expects to be back at the office by April 1.

A. E. Mason, general agent in Jackson, Mich., of the Continental Assurance, Continental Casualty and Metropolitan Casualty, was seriously injured in an automobile accident and is in a hospital with a fractured vertebra and several broken ribs. His car was crowded off the highway and crashed into a tree. He was found by a passing motorist lying unconscious in his car three hours after the accident and was rushed to the hospital.

W. R. Chapman, assistant director of agencies of the Northwestern Mutual Life, is spending the week in eastern territory. He was in Wheeling, W. Va., Monday; Huntington, W. Va., Tuesday, and later in the week at Dayton and Columbus, O., speaking at company agency meetings and also before several local associations.

One of the three members of Virginia's newly created liquor control board, which is to supervise the sale of liquor in the state under the dispen-

sary plan is T. McCall Frazier, former Virginia commissioner, who was appointed to the post in November, 1929. After serving several months, he resigned to become director of the state division of motor vehicles.

W. E. Roesch, who left the "Spectator" to become secretary Equitable Casualty & Surety of New York and later was engaged in agency work in Newark, N. J., has returned to that publication.

E. W. Randall, chairman of the board of the Minnesota Mutual Life, who has been spending the winter in San Antonio, Tex., is now on his way home and is visiting agencies at Houston, Fort Worth, Dallas and Oklahoma City. Before leaving Mr. Randall entertained the agency and office force of the San Antonio agency at a dinner.

J. J. Schiffrer, who resigned recently as head agency manager of the New World Life at Spokane, Wash., was honored at a dinner given by the Spokane agency at which John J. Cadigan, president of the company, presided. Other home office guests were Burt Babcock, agency secretary, and John W. Cadigan, vice-president and superintendent of agencies.

It was announced that Mr. Schiffrer had placed more than \$3,000,000 of business on the books of the New World Life in the 11 years he was agency manager. He was presented a gold watch by the officers of the company and a testimonial scroll signed by all the officers and department heads.

D. J. Bloxham, supervisor agency field service, in the Travelers life department, has been critically ill for the past two weeks. He now shows improvement and is at his home in Hartford.

Clinton C. White, secretary of the Puritan Life of Providence, R. I., spoke Monday before the Town Criers Club there on life insurance and its relation to Financial Independence Week.

Robert Farber, 52, district manager John Hancock Mutual Life, Milwaukee, died there following an illness of almost a year. He had been a resident of Milwaukee for 32 years.

Funeral services were held at Los Angeles last week for J. M. Atkinson, former St. Louis attorney who was general counsel for the International Life Insurance Company of St. Louis from 1920 to 1927. He went to Los Angeles in 1928.

S. W. Guthrie, Indiana, Pa., celebrated his 40th anniversary with the Edward A. Woods Co., Pittsburgh Equitable Life of New York agency. A luncheon and reception were held in his honor and William M. Duff, president and manager, and C. B. Metzger, superintendent, were present. Mr. Duff called attention to Mr. Guthrie's remarkable record. "We do not have the volume for his first year in business but for the 39 years of which we do have a record, I find that Mr. Guthrie has placed insurance on a total of 2,210 lives, up to the first of this year, an average of 57 per year, or better than one a week, and this figure does not include many lives covered under group insurance. I doubt whether there is in insurance a record comparable to this."

Ted M. Simmons, manager of agencies Pan-American Life, spoke to students of the department of commerce and finance of Loyola University, New Orleans, on "The Business Man and Civic Activities," stressing the need for participation in outside activities by successful salesmen.



## NEWS OF THE COMPANIES

### Hearings on Objections End

**Master Will Report Evidence in Peoria Mutual Life Case Back to Judge Niehaus**

The hearings before a master upon objections to the formation of the Peoria Mutual Life to take over the business of the defunct Peoria Life have been concluded and the master will report the evidence to Circuit Judge Niehaus in Peoria without any findings.

Among those who were called at the final hearing were Mathias Concannon, attorney for the receiver of the National Life, U. S. A.; W. M. Corcoran of New York, consulting actuary, who is now working for the Hercules Life. Their testimony was in rebuttal of the claim of J. M. Crume, who is helping to promote the Peoria Mutual's scheme, that the Peoria Mutual reinsurance contract is more liberal than the contract by which the Hercules Life took over the National Life, U. S. A.

E. L. Marshall, consulting actuary of Lafayette, Ind., was also called.

### New British Columbia Company

VICTORIA, B. C., March 22.—Proposals for a new company, to be called the British Columbia Insurance Company, are before the British Columbia legislature. The promoter is J. G. Wilson, formerly general manager of the two subsidiaries of the Western and British America companies in Toronto and more recently British Columbia manager of the Northern Life of London. It has the charter of the late Columbia Life. It will write all kinds of insurance, life, fire and casualty.

### Wilkinson Fights Herdman Suit

LINCOLN, NEB., March 22.—Rees Wilkinson has asked the Nebraska courts to dismiss the action recently brought by Insurance Director Herdman to take over his two companies, the National Old Line Life and the Indemnity of America, and wind them up on the ground of insolvency. He says the facts pleaded in the petition do not show insolvency or constitute legal justification for winding up their affairs.

### Await Solvency Decision

ST. LOUIS, March 22.—The taking of testimony has been completed in the Continental Life of Missouri solvency trial here and Circuit Judge Ryan is expected to take several weeks to give his decision. With the judge's approval, President Ed Mays sent a letter to agents stating that a decision would be made by about April 10.

The Continental Life closed its defense Tuesday. Letters and telegrams sent by O'Malley after filing suit in which he told insurance commissioners of other states his principal object was to take control away from Ed Mays for alleged mismanagement were final defense exhibits. Rebuttal witnesses for the department will include O'Malley and C. G. Revelle, former vice-president and general counsel of the company.

### Oklahoma Receivers Appointed

OKLAHOMA CITY, March 22.—The district court of Oklahoma county has appointed S. J. Campbell and J. I. Gibson coreceivers for the Great Republic Life of Los Angeles, following a receivership suit filed by G. H. Dale, general agent for the company in Oklahoma, in which the plaintiff asked judgment in the amount of \$68,638, and also a restraining order to prevent the company removing any of its assets from Oklahoma. The order had been previously granted. All assets in the state

of the company are now in the hands of the coreceivers. The majority of stock in the company is held by Oklahoma interests, according to F. E. Young, attorney for the plaintiff.

### Texas State Mutual Starts

DALLAS, March 22.—The Texas State Mutual Life, with offices in the Gulf States building, is now writing business. It is a legal reserve company, featuring two policies with fixed premiums of \$10.60. The policies are a family group non-medical policy and a "new deal" low cost policy. The latter is convertible within five years without any further evidence of insurability for the same amount of insurance on any level premium life or endowment form in use by the company at that time, provided the insured has not attained the age of 45.

### Big Drive for Dr. Simmons

Agencies all over the domestic territory of the Pan-American Life showered Dr. E. G. Simmons, vice-president and general manager, on his birthday with applications totaling \$596,727. Dr. Simmons was in San Antonio, Tex., on an agency visit and members of that agency, 25 strong, presented him with applications totaling almost \$100,000. March being the anniversary month of the Pan-American, the entire month has been set aside for production in honor of President Crawford H. Ellis, Dr. Simmons, E. J. McGivney, vice-president and general counsel, and Marion Souchon, vice-president and medical director.

### Pay Out Five Million

ST. LOUIS, March 22.—The General American Life paid out \$5,363,796 to 5,510 people under Missouri State Life policies from Sept. 8, when it assumed the business of the Missouri State, up to March 1.

### Six New Directors Elected

The Gulf States Security Life has elected six new directors: W. C. McCord, secretary and actuary; Dr. Hall Shannon, medical director; Alex Collins, president Central National Bank of San Angelo; S. G. Gernert, president First Taylor National Bank, Taylor, Tex.; E. H. Kifer, San Antonio, and R. C. Sewell, Houston.

The company has voted a cash dividend of 6 percent.

### Republic Life Election

The Republic Life of Dallas has elected President E. P. Bennett chairman of the board as well. Z. K. Brinkerhoff, formerly vice-president and secretary, becomes vice-president and J. B. Anderson is now secretary. C. F. Thomas and Mr. Anderson have been named directors.

### Indiana Seeks Receiver

INDIANAPOLIS, March 22.—The Indiana insurance department has applied for a receiver for the American Benefit Life Association of Indianapolis, writing health, accident and life insurance on the assessment plan. Examination by the department showed the concern involved about \$17,000.

### El Dorado License Suspended

License of the El Dorado Mutual Life Association, assessment life, health and accident concern of Los Angeles, has been suspended by Commissioner Mitchell of California because of failure to effect requested changes in its by-laws which would abolish the present practice of pro-rating proceeds of assessment levies among claimants. The commissioner has advised the as-

## Drifters

from first one organization and one job to another organization and another job may gain much experience, but they endanger the morale of their more reliable associates and leave behind only painful memories.

"Birds of passage" are a detriment to the institution of life insurance and a source of constant trouble, dissatisfaction, and expense. The poor workman quarrels with his tools and the inept salesman is quick to blame his lack of progress upon his company—blind to his personal failure as against the success of others connected with the company that he forsakes.

Stick to your company, as you expect it to stick to you, for "the place to make good is right where you are!"

**AMERICAN CENTRAL LIFE**  
INSURANCE COMPANY  
INDIANAPOLIS - - - - INDIANA

## ESTATE REPLENISHMENT POLICIES

UNUSUAL completeness of policy equipment is a standard feature of Pacific Mutual service. For instance, geared to the paramount need of the moment—the need for immediate estate replenishment—are no less than four distinctive Pacific Mutual policies:

Modified Life	\$11.87	(Per \$1,000, age 35)
Term Expectancy	14.95	( " " " " )
Life Expectancy	18.64	( " " " " )
Ordinary Life	20.06	( " " " " )

All are low guaranteed rate plans, non-participating, net cost known from the outset. All are sound, scientifically designed life insurance contracts, and each is adapted to a specific range of prospect types.

The **Pacific Mutual Life**  
Insurance Company OF CALIFORNIA  
Founded 1868

Home Office  
Los Angeles, California

GEORGE I. COCHRAN, PRESIDENT

Assets  
Over \$198,000,000

sociation to cease writing business in California.

The El Dorado is one of the so-called "Duker institutions," the others being Sunset Mutual Life, Master Life, Pershing Mutual Life, Economic Mutual Life, Notre Dame Mutual Life, and Southern States Life. Harry J. Duker runs all of these concerns.

#### New House Organ Editor

"The Midwest Life Parade," house organ of the Midwest Life, is now being edited by R. P. Stephens, formerly with the Nebraska State Journal. Mr. Stephens began as an agent six months ago and has 14 weeks of consecutive production to his credit. He will handle publicity and direct mail and sales promotion activities.

#### General American Changes

M. B. Stephenson, former manager of the policyholders' division of the General American Life, has been transferred to the agency department where he will work under direction of Anthony Gatzert, assistant secretary. His new duties include prospecting for new agents, training and supervising new agents after they are in training. In this connection he will work in close contact with the general agents, agency supervisors, and the home office agency department.

Robert Gay, recently in charge of conservation work in Kansas City, has been called to the home office to succeed Mr. Stephenson. Mr. Gay became associated with the old Missouri State Life in July, 1929, as a student agency special. He continued this work in St. Louis and New Orleans, until his transfer to Kansas City as assistant cashier.

Mr. Stephenson was in the field from 1927 to 1930, when he returned to the home office. He was assistant cashier of the Detroit office and later cashier at New Orleans; cashier and office manager of the Dallas general agency, and cashier of the Fort Worth office. He went to the home office in 1930.

#### Occidental Life Appointments

R. F. Benjamin has been appointed supervisor of the group and salary deduction department of the Occidental Life of Los Angeles. He is a graduate of the University of Oregon and University of California law school and was admitted to the bar. He formerly was with the California-Western States Life as assistant manager in the San Francisco and Oregon agencies, and before the merger of these companies was in the group department of the Western States Life at the home office.

H. C. Newman, who has been with the Occidental Life for ten years, has been advanced from office manager in the home office to agency inspector. He is succeeded as office manager by I. A. Pedreira, who was formerly with the Bank of America.

#### Life Company Notes

The **Harvester Life** of Dallas has elected R. W. Mayo, Dallas attorney, a director.

Ed Galloway, president-manager of Ed Galloway Clothing Company, Oklahoma City, is a new director of the **Mid-Continent Life**.

The **Rio Grande National** of Dallas has elected W. M. Neece vice-president and a director.

The **Pacific Mutual Life** has elected George Gund of Cleveland a director. For many years Mr. Gund was prominent in food industries and developed Kaffee Hag.

Three new directors were elected by the **Fidelity Union Life** of Dallas at the annual meeting: J. A. Pondrom, Texarkana; H. H. Ochs, San Antonio; C. V. Compton, Dallas.

#### Blanks Committee to Meet

W. A. Robinson, actuary of the Ohio department and chairman of the committee on blanks of the National Convention of Insurance Commissioners, has called a meeting of his committee at the Commodore Hotel, New York, April 30-May 2.

## LIFE AGENCY CHANGES

### Blaess Changes Connection

**Successful Michigan General Agent of National Life of U. S. A. Goes With Continental Assurance**

M. A. Blaess has been appointed general agent of the Continental Assurance in charge of southeastern Michigan territory with headquarters at Ann Arbor. He was formerly one of the leading general agents of the National Life of U. S. A. in Ann Arbor.

Mr. Blaess has 20 years' life insurance experience. He started as a part time agent for the Connecticut Mutual. Prior to going into life insurance on a full time basis, he conducted a successful real estate business in southeastern Michigan. He was appointed general agent for the Michigan Mutual in 1926 and continued in that capacity when the company was purchased by the National Life of U. S. A. in 1927. Mr. Blaess also has been a large producer of personal business.

#### D. J. Luick, J. F. Kauffman

David J. Luick has been named manager of the branch office of the Connecticut General Life in Minneapolis. This succeeds the general agency of Packer & Kauffman, with J. F. Kauffman remaining as general agent.

#### R. H. Smith

R. H. Smith, formerly San Antonio agency manager for the Life of Virginia, has resigned to become San Antonio manager of the Great American Life.

#### Johnson Ashby

Johnson Ashby, recently manager of the life department of G. C. Eichlitz & Co., has resigned to become district manager in San Antonio, Tex., for the Southern Old Line Life of Dallas. He has offices at 416 Aztec building.

#### O. L. Morse, Malcolm Wood

The Capitol Life of Denver has appointed O. L. Morse, Lincoln, Neb., general agent. He was formerly with the Travelers. Malcolm Wood, Denver, formerly connected with the New England Mutual, has been named supervisor with the Colorado agency.

#### E. F. Peterson

E. F. Peterson, formerly with the Aetna Life, has been made general agent of the Pacific Mutual Life at Portland, Ore.

#### Midland Life Appointments

The Midland Life of Kansas City has appointed W. C. Huckabee general agent at Waxahachie, Tex.; Mr. and Mrs. John A. Preston general agents at Houston, and M. G. Olson joint general agent with C. L. Mansell of Waco, Tex.

#### L. W. Norton

L. W. Norton, general agent of the Northwestern Mutual Life at Durham, N. C., will on April 1 take over territory in the western section of that state which has been under the general agency of T. N. Clark in Asheville, since April 1, 1929. Mr. Clark has represented the Northwestern Mutual nearly 13 years and has always been a consistent producer. He will devote his time to personal production.

#### T. E. Bullington

T. E. Bullington, who has been connected with the Mitchell, Gartner & Walton general agency of Fort Worth, Tex., since 1923, has been promoted to manager of the life department. He succeeds E. F. White, who resigned recently to become general agent of the

Connecticut Mutual Life in Dallas. The life department, organized in 1931, represents the Columbus Mutual Life of Columbus, O., and Continental Assurance of Chicago.

#### J. W. Camp

J. W. Camp, formerly of Fort Stockton, Tex., has been named Fort Worth district manager of the Great American Life of San Antonio. Offices are in the Sinclair building. Ten north Texas counties are included in this district.

#### R. E. Thompson

R. E. Thompson of Denver has been appointed general agent for the ordinary department of the American National of Galveston. He was for many years state manager of the Yeomen at Des Moines and made an outstanding record. He was also with the American Conservation Company of Chicago for four years.

#### Hall & Temple

H. E. VandeWalker, Michigan state agent of the Ohio State Life, has appointed G. G. Hall and H. S. Temple general agents in Detroit. The agency will be known as Hall & Temple and has quarters in the Majestic building.

#### E. L. Kirksey

The Provident Life & Accident has opened an office at Charlotte, N. C., under E. L. Kirksey. The agency will increase the company's service to the textile mills.

#### Hib Fischer

Hib Fischer has been appointed general agent by the Occidental Life in

Yakima, Wash. He has been associated with his father, F. H. Fischer, former general agent at Yakima, for two years and has a successful record in personal production, having qualified as a member of the app-a-week club for more than 100 weeks.

#### J. M. Laffin, R. A. Wing

John M. Laffin, who has been general agent at Portland, Me., for the Penn Mutual Life, has been transferred to Omaha as general agent. He is succeeded in Portland by Roscoe A. Wing, who has been associated with Mr. Laffin for two years.

Mr. Wing started selling life insurance in 1928 in Pittsfield, Mass.

#### C. R. Logan

The Midwest Life of Nebraska has appointed C. R. Logan state manager for Nebraska, with headquarters at Lincoln.

#### W. W. Austin

W. W. Austin has been appointed general agent at San Diego, Cal., by the United Mutual Life. He was formerly mayor of San Diego. He succeeds G. H. Payne, resigned.

### Life Agency Notes

The Penn Mutual Life has appointed F. W. McLean, former manager for the American Life, district agent in Ypsilanti, Mich.

C. A. Hansen, Fargo, N. D., has been named to represent the Mutual Benefit Health & Accident and United Benefit Life of Omaha.

Ralph E. Cather, cashier for the State Mutual office in Providence, goes to Philadelphia the latter part of this month to become cashier for the State Mutual agency of Walter Craig.

## AS SEEN FROM CHICAGO

### CHICAGO FEDERATION'S DEAL

J. C. McMahon, Chicago representative of the Union Cooperative of Washington, D. C., has closed a deal whereby local unions affiliated with the Chicago Federation of Labor can now get group insurance in that company. The insurance is issued in terms of units. Units are determined by the age of the applicant. From ages 5 to 15 inclusive the maximum issued is one unit. From 16 to 55 inclusive, the maximum is three units. For applicants between ages 5 and 34, the unit is \$1,000; between 35 and 39, \$900; between 40 and 45, \$800; between 46 and 50, \$600; between 51 and 55, \$400. The annual premium per unit is \$8.55. Each person insured will pay a service fee of \$1 a year to the Chicago Federation of Labor in addition to the regular premium. The Union Cooperative has \$2,277,617 assets, \$200,000 capital, \$520,075 surplus and special funds. Its insurance in force is \$58,704,843.

### FEDERAL RECEIVERSHIP HEARING

The house judiciary committee, which is in Chicago, investigating federal court receiverships, got around to the insurance company cases the latter part of this week. The receiverships of the Illinois Life, Victory Life and Security Life are being investigated. Among the witnesses is Commissioner Clark of Iowa, who was subpoenaed.

### ANNUAL DRIVE FOR PRESIDENT

The annual "par-for-Parkinson" campaign of the central department of the Equitable of New York will be held in April. President T. I. Parkinson is scheduled to attend a luncheon and dinner May 14 in Chicago to address leading unit managers and agents in the contest. All Chicago agents who produce not less than five applications will be invited to the luncheon at which Chi-

cago managers will be hosts. In the evening will be held a more exclusive dinner at which, besides President Parkinson, will attend only the leading unit managers and agents in the central department and the best unit manager and agent for the entire department.

Agents who write at least five applications will be presented a special token commemorating the campaign and diamond jubilee of the Equitable. The central department stands 11 percent ahead in production for January and February. Chicago agencies are 4 percent ahead.

### \* \* \*

### AGENCIES GO ON FIVE-DAY BASIS

Chicago general agencies of the Penn Mutual announce compliance with the new plans of General Johnson for the NRA. Effective March 24, W. A. Alexander & Co., Alexander E. Patterson and Stumes & Loeb will be closed on Saturdays except for a skeleton force which will handle premiums and give general service. This reduces working hours of the force to 36 hours a week in accordance with General Johnson's suggestion. It is the belief that support of this plan will increase efficiency of the sales force, as well as office organization.

### Two Companies Join Hands

The Buffalo Mutual Life has made a cooperative agreement with the Lincoln Mutual Indemnity of Mansfield, O., whose agents, numbering over 200 in Ohio, now write life insurance in the Buffalo Mutual in addition to their regular line.

### Hill in Pittsburgh

Grant L. Hill, director of agencies of Northwestern Mutual Life, was the principal speaker at the dinner following the agency meeting of the Royal Goldsbury general agency of the company in Pittsburgh.



## NEWS OF LIFE ASSOCIATIONS

### Keesling Speaks in Seattle

**American Life Convention President Tells Sales Congress Integrity Is Primary Characteristic**

Sales efficiency comes through ability, industry and integrity, F. V. Keesling of San Francisco, president American Life Convention, stated in his talk on "And the Greatest of These Is Integrity" at the Seattle sales congress this week. He said the most important quality is integrity.

"If an applicant is deliberately over-insured there has been lack of integrity," he said. "If an applicant is persuaded to apply for insurance and urged to pay by note when it is evident that there is little or no prospect that he can pay the obligation at maturity, there is lack of integrity."

"Overemphasizing the benefits, emphasizing and misdirecting the purpose of loan values, are only productive of conflict with the ultimate purpose of insurance. Twisting is viewed with alarm. If one is inherently disposed to that type of effort, I may classify him as lacking in integrity. Trading on abuse of other companies has been classified as indicating a lack of ability. It is also clearly a lack of integrity."

"What is the test of the soundness of this doctrine of integrity? It is merely this, survivorship. Who remain of the immense turnover in agency departments? Certainly those who have been tested for integrity and not found wanting. Integrity is a simple fundamental of the success of businesses generally. It is manifested in continuity and confidence."

"The requirement on the part of the agent is integrity of the type that will protect against temptation even in the face of loss of the business."

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### Sales Meeting Held at Toledo

**Northwestern Ohio Agents Gather to Hear Leaders at Annual Congress—500 Attend**

TOLEDO, O., March 22.—Optimism was the keynote of the Northwestern Ohio Sales Congress in Toledo. It was reflected in attendance—nearly 500 were present—in the talks of the speakers, and in the attitude of the salesmen themselves. It was a unanimous agreement that the trend is upward. Records were cited to show that there is a general increase in sales and a decrease in the demands for policy loans.

Speaking at the morning session were: C. L. Egbert, Kewanee, Ill., district agent for the Northwestern Mutual Life; E. E. Smith, agency secretary Equitable Life of Iowa; and George E. Lackey, Detroit, general agent Massachusetts Mutual Life.

Mr. Egbert in discussing "My Selling Process" gave a detailed analysis of seasonal effects on life insurance sales. Mr. Smith said that 82 percent of individuals die and leave no estate, 15 percent leaving between \$2,000 and \$10,000 and only 1 percent leave larger estates. Unquestioned advantages of insurance over other forms of investment were emphasized by Mr. Lackey.

A mock trial dramatization of time control, "The People vs. John Doe," was put on by Toledo Connecticut Mutual Life men: Isaac Kinsey, Jr., L. D. Moon, A. J. Chase, Jules Blair and Milton Sherman, general agent.

Speakers at the afternoon session were F. M. See, St. Louis, general agent New England Mutual Life, and W. B. Burruss, lecturer. Mr. See outlined "The Ten Commandments for Closing a Sale." He demonstrated the art of asking leading questions.

### Attitude on Term Insurance

**Champaign County Life Underwriters Adopted Definite Code of Ethics Eight Years Ago**

The Champaign County, (Ill.) Association of Life Underwriters on its organization some seven or eight years ago defined terms and practices. It dealt with term insurance. At the time its provision was adopted the agitation over twisting was not as keen as it is now. The following paragraphs comprise those subjects upon which this association had taken a definite position.

"Convertible Term Insurance—As free-for-all competition. It was admitted by those members of the association present that in writing convertible term insurance, it is the duty of the agent to keep in touch with those policyholders with a view to rendering the service due them in effecting a proper conversion, and

"That the conversion of all term policies in the company in which they are written is admittedly to the advantage of that company, and

"That an agent rewriting a term policy which would effect its conversion at the insured's attained age is not injuring the insured, and

"That an agent rewriting a term policy which would otherwise effect its conversion from the original age at issue, is the only instance wherein any real disadvantage may accrue to the insured, but as the number of such cases is very limited, Resolved, that in any such case it shall be the duty of the agent in the transaction to point out clearly the disadvantage to the insured before effecting the change, and

"Be it also resolved, that any agent who fails to keep in touch with his convertible term policyholders is neglecting his duty, and that

"Be it further resolved, that any agent of another company who increased such policyholder's life insurance, or rewrites at attained age, such convertible term insurance shall not be deemed guilty of a misdemeanor, and

"Be it resolved in conclusion, that with the exception noted above, it is the desire of the members of this association that convertible term insurance be considered as free-for-all competition."

A. E. Patterson, second vice-president National association, and past president Chicago association and general agent Penn Mutual, Chicago, spoke at the March meeting on "Mediocrity."

\* \* \*

### President Wilson Promotes Much Activity in Illinois

President J. Hawley Wilson and other officers of the Illinois Association of Life Underwriters have succeeded in causing the organization so far this year of three local associations in the state. The Illinois leaders hope to organize a fourth association in Aurora within a few weeks.

The first local association to be organized was in Rockford. The second was in Rock Island and Moline where the Rock Island County Underwriters Association was formed, with T. H. Ellis, Equitable Life of New York, as president; K. J. Nielsen, Moline, first vice-president; Bernard Bonino, Rock Island, second vice-president; C. E. McIntyre, Moline, secretary.

Last week Mr. Wilson, together with Charles Axelson, first vice-president; Elmer Hersch, second vice-president, and Walt Tower, manager Chicago association, met with 78 agents in Joliet and assisted in organizing an association there. T. A. Lauer was elected president. A constitution and by-laws were adopted at a meeting Thursday noon of this week at which Lynn Broadus of the Acacia Mutual in Chicago was the guest speaker.

William La Teer, president of the Peoria association, and Mr. Wilson ad-

ressed the Jacksonville association this week and they will address the Quincy association next week.

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**Michigan**—The advisory board and executive committee will meet in Detroit April 13. A general meeting will be held in Detroit in May.

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**Joliet, Ill.**—A new association has been organized, Thomas Lauer, Northwestern Mutual, being elected president. J. H. Wilson of Peoria, president Illinois association; C. F. Axelson, Chicago, past president Chicago association, and Walt Tower, managing director of that organization, attended the first meeting. A second meeting was held March 21.

L. S. Broadus, Acacia Mutual manager, Chicago, gave a talk. Other officers and executive committee are to be elected.

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**Los Angeles**—The Los Angeles association held a joint breakfast meeting with the Los Angeles Breakfast club, the principal speaker being Dr. F. P. Woellner, professor of education, University of California at Los Angeles, who talked on "The Story of the Extra Slice." He discussed the service rendered by life insurance. W. M. Hammond, general agent Aetna Life, president of the association, also spoke.

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**Neenah, Wis.**—Life underwriters of Neenah and Menasha have organized the Twin Cities association, with E. L.

Rickard of Lampert-Rickard, president; Claude Mayer, Kansas City Life, vice-president, and Carroll McEathron, Equitable, secretary. N. J. Williams, supreme vice-president of the Equitable Reserve Association, was named honorary president.

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**Columbus, O.**—E. M. Tharp, vice-president Ohio Fuel Gas Company, said that it is much easier to make money than it is to save it, and that the systematic, methodical plan of life insurance savings and investment is much more satisfactory than the chance that the average man takes in buying stocks or commodities.

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**Erie, Pa.**—About 350 agents attended a sales conference sponsored by the Erie association. The Kramer agency of the Ohio National had the largest representation of any general agency at the meeting. The agency held a luncheon at noon between the sessions of the congress. C. Vivian Anderson, president National association, W. H. Harrison, Ohio National actuary, and Ray Hodges, manager Ohio National Cincinnati agency, spoke at the luncheon.

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**Saginaw, Mich.**—W. H. McLaren, Detroit, urged the opportunities for sale of annuities as pension insurance, citing it as a happy solution for both employer and employee of the problem of old age security. He said that by sharing the cost, the burden on the employer is re-



## "The Character Company"

**Age:** The Midland Mutual Life is older than 80% of all United States legal reserve life insurance companies.

**Size:** The Midland Mutual Life has more assets and more ordinary insurance in force than any one of 84% of United States companies.

**Management:** The Midland Mutual Life's economical management has resulted in the payment of more dividends to policyholders than the total of all death claims.

**Rating:** The Midland Mutual Life is rated "A" (Excellent), the highest rating possible, by The Alfred M. Best Company and all other recognized authorities.

**Service:** The Midland Mutual Life issues all forms of life, endowment, annuity and single payment investment contracts with monthly income optional. Age one day to age sixty-five. Free health examination furnished life policyholders.

**Surplus:** The Midland Mutual Life has, since December 31, 1929, increased its surplus over one-third and now shows a surplus ratio to reserves nearly one-third higher than the average ratio of the twenty-five largest United States companies.

**THE MIDLAND MUTUAL LIFE INSURANCE COMPANY**  
Columbus, Ohio





## FACTS OF INTEREST concerning our PROGRESS in 1933.

### NET INCREASE

Insurance in Force  
one of few companies to show  
an increase \$2,363,000.00

### TOTAL in FORCE

\$115,048,145.00

\$1.20 of ASSETS for every \$1.00  
of Liabilities

### PAID POLICYHOLDERS

Living—\$1,093,672.00  
Beneficiaries—\$583,875.00

TOTAL—\$1,677,547.00

Almost twice as much paid liv-  
ing policyholders as in claims

### INTEREST EARNED

(Almost 5% average)  
\$696,014.00

More by \$112,139.00 than amount  
necessary to pay all death claims

### SURPLUS to POLICYHOLDERS

more than ample to care for  
all contingencies  
\$2,443,791.00

### TOTAL ASSETS

largest in company's history  
\$14,860,977.00

### FARM MORTGAGES

less than 1% of assets

### REAL ESTATE

less than 8% of assets

### GOVERNMENT and Municipal

Investments Increased \$234,294.00

### NO MONEY BORROWED

Reserves were increased and all  
claims and obligations paid  
without borrowing.

In last report the Insurance Departments of Kentucky, Florida and Tennessee state: "company is in excellent financial condition—has grown consistently—management practically unchanged since organization—its affairs are well and honestly managed—policyholders have complete protection."

The Commonwealth Life, rated "A" by Alfred M. Best Co., is "tried and true." We will gladly send you a copy of our complete financial statement.

I. Smith Homans, Vice-President

**COMMONWEALTH  
LIFE INSURANCE CO.  
LOUISVILLE, KY.**

duced while the employee is definitely assured, that he will not be dependent upon the employer's future financial condition for his promised pension.

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**Paducah, Ky.**—The Paducah association has voted to affiliate with the National association. J. H. Snider, superintendent of agencies Commonwealth Life, and W. E. Dunham, agency supervisor Northwestern Mutual Life, were speakers.

A committee was appointed to draw up a resolution requesting Governor Laffoon to retain G. B. Senft as insurance commissioner.

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**Birmingham**—The sales congress of the Birmingham association will be called to order next Saturday morning by President T. J. Huey. The first formal speaker will be Frank M. See, general agent New England Mutual Life, St. Louis. He will be followed by Dr. L. M. White, pastor West End Baptist Church of Birmingham, who will talk on "The Strategy of Handling People."

J. E. Acuff, vice-president Life & Casualty of Tennessee, will discuss "Appraising the Industrial Underwriter."

A feature of the afternoon session will be the awarding of a prize to the owner of the oldest life insurance policy in force in Jefferson county. The afternoon speakers include V. T. Motschenbacher, manager Sun Life at New Orleans; Mr. See and Dewey R. Mason, general agent Aetna Life at Jacksonville, Fla.

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**Montgomery, Ala.**—G. D. Davis of the research department of the Penn Mutual Life discussed the attitude of life companies in extending more help to the men in the field. Superintendent C. C. Greer presented a financial independence week proclamation signed by Gov. E. M. Miller. At the suggestion of Mr. Greer, the association unanimously endorsed the Patton bill pending in Congress requiring insurance companies doing business by mail to designate an agent in each state in which the company operates. Mr. Greer declared the bill was a step forward.

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**Milwaukee**—The banker and the life underwriter are natural business associates and honesty and frankness between them, combined with a sympathetic understanding of one another's problem, will make them mutually helpful, in the opinion of Edmund Fitzgerald, vice-president Northwestern Mutual Life, who spoke at the March meeting of the Milwaukee Association of Life Underwriters. Mr. Fitzgerald was formerly a vice-president of the First Wisconsin National Bank of Milwaukee. "After a brief experience in the life insurance business, I have come to a new understanding as to the responsibility of an underwriter, and as to his idea of his mission," said Mr. Fitzgerald. "Had I but known the character and type of work which one witnesses in the insurance business, I would have started long before I did to make it a life's work. Manufacturing and banking do not hold the same opportunity for the satisfaction of one's desires and ideals as does the insurance business."

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**Sioux City, Ia.**—An all-day meeting of life agents will be held March 24, at which Dr. W. A. Irwin, head of the economics department, Washburn college, Topeka, Kan., and H. J. Cummings, vice-president and superintendent of agents Minnesota Mutual Life, will speak.

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**Des Moines**—At the sales congress to be held here March 23 there will be addresses by H. A. Hedges, general agent Equitable of Iowa in Kansas City, on "Piddlers, Peddlers and Salesmen"; Prof. W. A. Irwin, Washburn College, Topeka, Kan., "New Economics for Old" and "An Economist Looks at Life Insurance," and H. J. Cummings, vice-president and superintendent of agencies, Minnesota Mutual Life, "Three in One." Several agents will speak on "How I Secured Business in 1933." Greetings from the Iowa insurance department will be extended by Assistant Commissioner Cless.

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**San Francisco**—More than 100 registered for the ten weeks training course in practical life underwriting sponsored by the San Francisco association which opened March 15. Speakers at the opening session included Harold Rose, West Coast Life; J. O. Klein, C. L. U., manager Metropolitan at Burlingame, and G. F.

McKenna, unit manager Penn Mutual. The students were welcomed by P. G. Young, president of the association.

Do not endeavor to sell life insurance as a policy or as a mathematical equation, R. B. Coolidge, agency assistant Aetna Life, told members of the association, at a luncheon meeting. The real problem is to build a sales presentation that tosses the problem into the lap of the prospect and forces him to reach for the solution, Mr. Coolidge said. He urged selling of retirement insurance as the only solution of the old age problem. Mr. Coolidge is accompanying President Brainerd of the Aetna Life and S. T.

Whatley, agency vice-president, on a tour of principal agencies in this territory. Mr. Whatley spoke briefly on benefits to be derived from proper observance of financial independence week. He sees it as "the entering wedge of institutional advertising."

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**Syracuse, N. Y.**—Roger B. Hull, general counsel National association, said insurance is the cornerstone of America's financial structure. He warned against experiments which will jeopardize the investment which citizens have in this form of saving.

## NEWS OF THE FRATERALS

### Lutheran Brotherhood Forms

Bring Out Series of 3 Percent Certificates Due to Prospect of Lower Yield

The Lutheran Brotherhood of Minneapolis has brought out a new series of 3 percent certificate forms, the thought being that future interest returns may be uncertain. The forms are written on the American Experience 3 percent table. It is stated that this action does not necessarily mean that the society is withdrawing its 4 percent plans, but it will issue both.

The new forms are 20 payment, whole life, whole life economic and retirement 20 years or at age 60 or age 65. The 20-payment plan is ordinary life maturing in 20 years with the provision that in event of death during the 20 year period all money paid in over and above the ordinary life premium shall be refunded to beneficiary. It is written ages 6-60. Annual rate at age 20 is \$29.28, cash value is \$7.26 the first year with dividends beginning end of second year.

### Amount of Protection Increases

Amount of protection the first year is \$1,007, increasing until it reaches \$1,273 in the 20th year. At maturity the assured has the privilege of taking \$273 cash and a \$1,000 policy with annual premium \$19.21 without medical examination. The form may be converted to ordinary life at any time.

The whole life policy may be issued to women and children, ages 6-65, inclusive, and waiver of premium may be issued to men and self-supporting single women, ages 16-55.

The whole life economic is a combination of five-year term, followed by net level premium whole life. The assured has the right at any time to change to whole life or any other form on 3 percent basis without medical examination as of original age by paying difference in reserves and premium for the new policy thereafter. Cash values are available the sixth year and thereafter. Dividends start the second year. The new form will be issued to men with or without waiver of premium and additional indemnity, ages 16-55 inclusive.

### Provisions of Retirement Policies

The three retirement contracts in event of death will refund to beneficiary all premiums paid over and above the regular ordinary life premium. There are four settlement options, one providing for withdrawal of a cash sum and privilege of continuing premium payments on a \$1,000 whole life policy as of date of issue; another option giving the assured the privilege of taking paid-up insurance for the full cash value without medical examination except on the retirement 20 year, on which examination is required where age of issue is 32 or under.

The policy at any time may be converted to whole life with a cash return of excess of premiums paid over whole life and interest, and without medical examination. Dividends are payable beginning second policy year. These contracts are issued to men, women and children from six years up. Waiver of premium will be issued to men and self-supporting single women, ages 16-

55, and the additional indemnity feature for the same ages.

The Lutheran Brotherhood will pay dividends on the 3 percent forms and has taken a portion of the loading for expense, whereas dividends heretofore were based only on savings on mortality and excess earnings. The new plans although figured on 3 percent interest yield, according to the present scale will pay 2 percent excess interest instead of 1 percent as has been paid on the 4 percent plans.

### Certificate Forms Modernized

Modern Woodmen Meets Present Day Demands With Thoroughly Up-to-Date Contracts

The new certificate forms of the Modern Woodmen were brought out as the result of a demand for more modern contracts and to place the fraternal in key with the times.

Form G is a special guaranteed settlement at age 60 and increasing death benefits after first year up to maturity. It is issued in amounts \$500 to \$25,000 to both men and women ages 16-50. Guaranteed settlement per \$1,000 at maturity is \$1,000 cash or \$445 cash and \$1,000 paid up insurance, or \$1,750 paid up insurance, if insurable. This selection must be made 30 days before age 60; otherwise the \$1,000 paid up certificate and \$445 cash option will be automatic. Nonforfeiture values in automatic payment loans apply after three years. Cash benefits may be payable in monthly or annual instalments from one to 30 years certain with refund to beneficiary of any unpaid instalments for the certain period, or cash benefits in monthly instalments guaranteed for five, ten, 15 or 20 years certain and for life.

### Details of Other Forms

Form J is a special 20 years payment guaranteed settlement at age 60, age limits being 16-40. This contract matures at age 60 similar to Form G, with increasing death benefits. Paid up insurance and extended insurance options differ somewhat from those in Form G.

Form H is a special guaranteed settlement at age 65. Options at age 65 are \$1,000 cash, or \$375 cash and \$1,000 paid up insurance, or \$1,570 paid up insurance, if insurable. Options similar to those in Form G are included.

Form K is similar to Form H except it becomes paid up after 20 years. Age limits are 16-45. Nonforfeiture values differ in amounts from those in Form H.

Form I is a special guaranty settlement at age 70, age limits being 16-60. Settlement options at 70 are, \$1,000 cash, or \$305 cash and \$1,000 paid up insurance, or \$1,420 paid up insurance, if insurable. Increasing death benefits provided are different in amounts from those in Form G. Nonforfeiture options apply after three years and the same settlement options as in Form G but differing in amounts.

Form L is similar to Form I, but becomes paid up after 20 years. Age limits are 16-50.

Form M is a business men's special, age limits 15-55. It carries \$1,000 death benefits after age 60, \$2,000 death benefits before age 60 or \$3,000 accidental death benefits before age 60 and is is-



sued in amounts from \$500 to \$8,000. Waiver of benefit payments and dues for total and permanent disability before age 60 is a feature, payments so waived not being deducted from benefits paid. Death benefits are reduced in amount after age 60 and corresponding reduction is made in rate after that age.

Form W is a standard whole life maturing at age 85, age limits being 16-60 and amounts issued from \$500 to \$25,000. Face amounts will be paid to member in cash at age 85, or he may take one of the instalment options. Cash benefits also are available at age 60 or thereafter. There are nonforfeiture, paid up and extended insurance values.

All these contracts are continuous payments. Under any of the contracts which mature as death claims, beneficiary may unless the member has directed otherwise, leave policies with the society at interest or receive annual or monthly instalments certain from one to 30 years, or instalments certain for five, 10, 15 or 20 years and thereafter during lifetime of beneficiary.

#### Offer New Service Certificates

Form SS is a sanatorium service certificate issued to applicants past age 16 at 50 cents a month, entitling holder to all rights as a social member and in addition to admission as a free patient in the Modern Woodmen's sanatorium. There are no death benefits.

Form SSS is a sanatorium service and saving certificate issued to applicants ages 16-60, entitling holder to all rights of a beneficial member, including sanatorium benefits. Rates, including camp dues and per capita are \$1 a month, ages 17-50; \$1.25 ages 51-55; \$1.50 ages 56-60. All but 50 cents retained by local camp is remitted to the head office, accumulating for 15 years, when it becomes paid up. At member's death beneficiary is paid a sum totaling all monthly payments made by the member.

Forms A, B, C, D and term certificates are continued without change except double indemnity benefits will now be issued up to \$10,000, but not on term.

#### National Fraternal Day Is to Be Observed April 27

National fraternal day will be observed April 27, the date having just been set by the executive committee of the National Fraternal Congress. Last year official observance concentrated in a celebration Sept. 1 in the Century of Progress exposition in Chicago. This year there will be held throughout the country formal programs, banquets, picnics, demonstrations of ritualistic work and other activities. President Bradley C. Marks of the N. F. C. urges all member societies to take active part.

The purpose of the annual event is to promote friendly acquaintanceship among fraternal societies and members, inculcate a better knowledge of values and advantages of fraternal operation and services rendered members. This will be the eighth observance of the day in upwards of 50 communities. President Marks prepared a fraternal day address for use by speakers throughout the country, which is being distributed by Elizabeth M. Mehan, Milwaukee, chairman bureau of publicity of the congress.

#### Strife in Hellenic Order

The Illinois department has made its report on the examination of the Hellenic Brotherhood of Messenia, a Chicago fraternal, showing income last year \$5,935 and disbursements \$4,490. It has in assets \$7,060. It has 300 members. The department says that internal strife is now existing between factions in the society and unless discontinued threatens to jeopardize its successful operation.

#### Fraternal News Notes

The West Virginia Fraternal Congress annual meeting will be held in Parkersburg May 7.

The Washington State Fraternal Congress annual meeting will be held May 13 in Seattle.

#### Slated for Honor



PETER F. GILROY

Peter F. Gilroy, head consul of the Woodmen of the World of Denver, will likely be elected vice-president of the National Fraternal Congress at its annual meeting in August. Thirty years ago he was appointed as general manager for the Pacific Coast, occupying that position for 24 years, when he became head of his organization and went to Denver. Representatives and members of the Woodmen of the World are conducting a production campaign in his honor which will run until June 6. That will mark the completion of his 30 years of continuous service for the fraternal.

#### CONVENTIONS

##### Ohio National Life Agents Hold Tristate Convention

The Ohio National Life is holding a section convention for Iowa, Nebraska and South Dakota agents at Omaha this week. Vice-president J. H. Evans being in charge. President T. W. Appleby gave a talk on "Depression and Recovery." Mr. Evans' address was on "The Inherent Stability of Life Insurance." He will also give a talk on annuities, explaining their types and desirability from the investor's standpoint. Grant Westgate, assistant superintendent of agents, explained the Ohio National three way plan. Another talk will be from R. E. Morgan, home office agency supervisor, who will speak on "Prospecting and Sales Presentation." At the dinner President Appleby will be the speaker.

##### Occidental Producers Meet

DEL MONTE, CAL., March 22.—The leading producers' convention of the Occidental Life is being held here this week. V. H. Jenkins, vice-president in charge of production, presided at the opening session and welcomed the agents. He was followed by R. J. Giles, vice-president, general manager and secretary, who told of the results of the past year and the company's plans for development. P. L. Davies, assistant secretary, explained the bonus contract. Dr. D. W. Skeel, medical director, gave a talk on heart impairments, and F. M. Hope, vice-president and actuary, discussed the new "Ironside's" policy.

Hoyt M. Leisure, president of the Leading Producers' Club, presided at today's session, the first speaker being B. J. Dickson, Los Angeles general agent on "Business Insurance." He was followed by F. B. Alldredge, San Fran-

## The Lincoln National Life Insurance Company of Fort

Wayne, Indiana, provides its field

men with a complete DIRECT

MAIL plan.



It is timely—

it is flexible—it gets results. The

plan is FREE to qualified field

representatives of the Company.



### Group Insurance Record for 1933

Group insurance benefits paid to employees and their families came to nearly \$2,000,000 a week during 1933.

Most employers appreciate more than ever before how well it is for the community and for business to have the dependents of those who die taken care of in this way.

Among your clients there are employees to whom you can sell some form of group insurance. It is well worth your while to do this.

Connecticut General Life Insurance Company  
Hartford, Conn.



## ANNUAL STATEMENT

### ASSETS

First Mortgage Loans on Real Estate	\$4,228,096.87
Real Estate including Home Office Building	938,408.19
Loans on Company Policies	1,854,960.42
Bonds—Government and Municipal	248,063.17
Interest Due and Accrued	193,133.85
Net Outstanding Premiums	250,283.16
Cash in Banks	180,495.66
<b>Total Admitted Assets</b>	<b>\$7,891,441.32</b>

### LIABILITIES

Reserves on Policies	\$6,548,499.74
Reserved for Losses, No Proofs Received	35,291.75
Interest and Rents Paid in Advance	52,528.04
Reserve for Taxes, Trust Funds and Dividends	142,010.73
Miscellaneous Reserves	229,645.35
Mortality and Investment Reserves	183,465.71
Capital Stock	300,000.00
Surplus Unassigned	400,000.00
<b>Total</b>	<b>\$7,891,441.32</b>

End of Year	Total Assets	Surplus to Policyholders	Insurance in Force
1907	\$ 29,827	\$ 16,050	\$ 1,529,645
1922	2,597,815	338,113	24,617,680
1933	7,979,664	883,466	45,681,565

Total Paid to Policyholders and Beneficiaries to Date, \$7,331,970.47

**PEOPLES LIFE INSURANCE CO.**  
FRANKFORT "The Friendly Company" INDIANA

## Men Wanted — Reliable and Trustworthy Men To Sell

The United Six-Way Protection Contract

### All in ONE POLICY:

1. IF YOU LIVE TO AGE 65—it will pay you \$5,000.
2. IF YOU DIE BEFORE AGE 65—it will pay your family \$5,000.
3. IF ANY FATAL ACCIDENT should occur to you—it will pay your family \$10,000.
4. IF CERTAIN FATAL ACCIDENTS should occur to you—it will pay your family \$15,000.
5. IF ACCIDENTAL INJURY should totally incapacitate you—it will pay you \$50.00 per WEEK for 52 WEEKS, and \$25.00 per WEEK thereafter. This pays for ONE DAY, ONE WEEK, ONE YEAR or for LIFE.

(Non-Cancellable)  
(Non-Proratable)

### IN ADDITION:

6. IF YOU BECOME TOTALLY AND PERMANENTLY DISABLED—you will be relieved of the necessity of making any further premium deposits. Then at age 65 you will receive \$5,000, just as though you had continued to make deposits yourself. In the event of your prior death the FULL FACE VALUE of the Policy will be paid to your family.

GENERAL AGENCY AND DISTRICT MANAGER OPPORTUNITIES AVAILABLE.

Write—Agency Department

**UNITED LIFE AND ACCIDENT INSURANCE COMPANY**  
Concord, New Hampshire

**Strong Progressive**

Are You Willing to WORK for a Company Which Is Willing to WORK with You?



**NORTH AMERICAN LIFE INSURANCE COMPANY**

E. S. ASHBROOK  
President

JOHN H. McNAMARA  
Founder

PAUL McNAMARA  
Vice-President

NORTH AMERICAN BUILDING, CHICAGO, ILLINOIS

cisco manager on "Visual Selling." S. N. Randolph discussed "Increasing Individual Efficiency," and G. W. Ayars, Los Angeles, talked on "The Future and You."

Mr. Jenkins will preside at tomorrow's session. I. C. Cunningham, southern California division manager, will talk on "Recruiting and Training." N. J. Nelson, northern California manager, will discuss "The Manager in Action."

At the banquet Friday evening President L. M. Giannini will present the president's cup to Division Manager I. C. Cunningham, who won a recent production contest. Mr. Giles will present club emblems to new members. W. N. Wilson and F. B. Swanson will put on a sales demonstration. H. M. Leisure will preside at the banquet with Mr. Jenkins as toastmaster.

### Grant Attends Texas Meet

A sales meeting was held by agents of the Business Men's Assurance in southwest Texas, including the Rio Grande valley, in charge of O. B. Krezdorn, agency supervisor. President W. T. Grant, Dr. Ernest Robinson, medical director, and A. W. Hogue, Texas agency manager, spoke. President Grant explained the silver anniversary special policy, Dr. Robinson spoke on the work of the agent in selecting risks and Mr. Hogue gave a sales presentation.

### National L. & A. Meet at Wichita

The National Life & Accident held an agency meeting in Wichita last week attended by President W. R. Wills, N. T. Webb, assistant western manager, and I. E. Smith, Waco, Tex., division supervisor, S. G. Glover, manager of the Wichita district, was host.

## NEW YORK NEWS

### HUSSEY AGENCY ORGANIZER

F. W. Hussey, assistant to the manager of the P. D. Cunningham agency of the Mutual Life of New York at 60 John street, New York City, has been made agency organizer. He succeeds Joseph A. Lanigan, who was made manager at Manchester, N. H.

### T. G. MURRELL'S SUCCESS

Something new in agency layouts may be seen at the quarters to which Manager T. G. Murrell of the Connecticut General Life in New York City transferred his office this week. The new quarters are in the same building as were occupied formerly, 225 Broadway, but are on the fifteenth floor and occupy about three times as much space as the old ones. The agency started from scratch 16 months ago.

The most striking feature is the attractive foyer and reception room, which are separated entirely from the agents' or office workers' departments. Mr. Murrell and Assistant Comptroller Philip Miller of the home office, who worked out the plans, believe that a much better impression is made on the policyholder if he is received in such surroundings rather than having to wait in the midst of a large general office where his attention is distracted by the manifold activities or the agents and the clerical force.

Among the other features of the office is a permanent training room for new men. Here new agents are trained for a full month before going out into the field. They are schooled principally in the two-interview method of selling, securing information in the preliminary interview in which to base a tailor-made proposal to fit the prospect's objectives. In conjunction with this work the analysis department has proven very valuable.

Starting from scratch Nov. 1, 1932, Manager Murrell's agency ranked twelfth in paid business among the company's agencies countrywide for the year ending last Dec. 31, and during Febru-

## News of Pacific Coast States

### Effect of Utah State Code Officials Are Gratified at the Results of the Measure Under Recovery Act

SALT LAKE CITY, March 22.—The code of fair practices for insurance in Utah, believed here to be the only state insurance code that is actually operative is working well, according to Commissioner E. A. Smith, Jr., and R. H. Sanders, executive secretary of the code authority, the insurance council, and secretary of the Utah Association of Insurance Agents until he resigned that office recently.

Both officials were delighted with the way all classes of insurance men are co-operating. It was stated rate filing is now practically completed. A good many applications for licenses, probably about 15 percent, will be denied, the officials said, largely because the applicants are not seriously engaged in the business. To write life insurance in a town of over 5,000 one must now devote the major portion of his time to the work. In fire insurance and allied lines in a town of more than 4,000 the agent must maintain an office and write his own policies.

### Procedure Under Code

License applications are passed on by the code council for conformity to the code and then given to the insurance commissioner for approval under the general insurance laws of the state. Both are determined to enforce the regulations strictly without fear or favor.

Commissioner Smith said there is no question in his mind as to the beneficial effects of the code on insurance. "It will stabilize, standardize and dignify the business," he said. "It will keep out the agent who has no business in it, and it will raise the standards from the standpoint of qualifications. In the past we have had trouble from agents who did not know what they were selling."

### Bankers Life Conference

SAN FRANCISCO, March 22.—W. W. Jaeger, vice-president; E. McConney, actuary; M. E. Lewis, assistant superintendent of agencies Bankers Life of Iowa, were the principal speakers at a two day agency conference for the northern California section here last week. One evening President G. S. Nollen addressed meeting by telephone from the home office. Elbert Storer, general agent at Indianapolis, vacationing on the Pacific Coast for several weeks, came to San Francisco from San Diego to attend the meetings.

### Oakland Manager Honored

F. W. Siler, manager Oakland No. 2, John Hancock Mutual, has been presented an award certificate in recognition of an outstanding record in the competition for the president's trophy for 1933. Presentation was made by R. B. Witham, Pacific Coast regional manager, at a meeting of the entire staff. Visiting managers who spoke were G. W. Brown, Oakland No. 1; A. J. Cawley, San Francisco No. 1, and Robert Grimes, San Francisco No. 2.

The only other agency on the coast receiving the award was Manager R. L. Bostwick's Long Beach office.

ary ranked No. 7. The agency now has 20 full-time men under contract.

Mr. Murrell was life insurance manager of Fred S. James & Co. in Chicago before going to New York. He was the first president of the Chicago C. L. U. chapter.



## Discussion Method of Teaching Good

(CONTINUED FROM PAGE 1)

practical selling aid or perhaps it is considered fine for the man who devised it but not suitable for general adoption.

The instructor may ask, "When did you sell your last prospect for educational insurance? How did you make the sale?" Then, turning to another man, who has had trouble selling this type of policy, the instructor may ask him if he used the procedure followed by the first man, and if not, why not. Or he may ask how many have been pushing the \$10 a week savings plan and how they prospect for it. One agent said he found it worth while to enroll in night school for the contact with the students, many of whom he found to be of an ambitious type, and keenly awake to the merits of a good savings plan.

The field schools have been valuable not only in bringing out and interchanging new selling ideas but also in stimulating men to greater production. A quota of 30 calls, 15 interviews, two cases, for a volume of \$10,000 was set as the standard week's work during the school period. The actual average which has been maintained while the schools were in session during the past year was 31.2 calls, 16.2 interviews, 2.6 cases, for a volume of \$10,424.

### Stimulus Found to Persist

Officials in charge of this work do not, of course, contend that this average could be maintained by agencies generally provided the schools were kept in session 52 weeks of the year. Any company which could raise all its agents to the half-million dollar class by such procedure obviously would devote all its efforts to field schools and run them throughout the year in every agency. It has been found, however, that even after the field school is over the higher production levels persist for a considerable time. The field schools always have been a highly important part of the Equitable's agency operations, and the discussion group plan has made them additionally effective in meeting today's selling problems.

### Company Able to Withstand Maximum Demand for Cash

(CONTINUED FROM PAGE 3)

being to pay death expenses, and possibly, Dr. Cook said, bring a "bonus."

He said in many such cases examinations fail to disclose impairments which undoubtedly are known to the applicant and his beneficiaries, and which are the primary reason for taking the insurance.

In addition to the two officials, there were present from the home office and talked, Agency Director W. F. Grantges, Supervisor of Agencies C. A. Peterson and Agency Instructor E. P. Balkema. The home office delegation held a similar regional meeting at Cincinnati, March 21-22.

Agents from Virginia, West Virginia, North Carolina, Ohio, Indiana, and Tennessee attended. The home office officials conducted a school on new policy forms and dividend practices. President Arnold and Vice-president Cook talked. The W. E. Lord Co. is now sole general agent for the company in Cincinnati.

### Financial Section Weighs Municipal Bond Problem

(CONTINUED FROM PAGE 3)

mittee might try out the plan in connection with one or two issues.

H. L. Guy, treasurer Mutual Life of Canada, said the life companies in the Dominion are members of the Dominion Mortgage & Investments Association, which forms committees of its own, so

that concerted action can be taken. The plan has worked successfully.

Mr. Lacy pointed out that some of the high grade investment houses have investigators in the field and will report to insurance companies on any particular situation.

F. P. Samford, Liberty National Life of Alabama, said the insurance companies and bond dealers in his state tried to form a committee in connection with Decatur, Ala., bonds, but the plan has not proved successful because other bondholders were not willing to deposit on the general theory that all bondholders' committees are rackets.

If committees were set up under the auspices of the American Life Convention, he said that the public might be willing to cooperate.

### Says Future Is Uncertain

Mr. Lacy asked how many had purchased state bonds since Jan. 1. There were 10 responses. G. C. Holmberg, Northwestern National Life, said the state bonds his company has bought yielded no better interest rate than United States bonds. He said the future is obscure and there is a difference of opinion as to whether the country is in for a period of cheap money or high interest rates.

Edward B. Raub, Jr., Lafayette Life, asked how many were planning to join in the refunding proposal in Arkansas. Six replied that they would and one that he would not.

George A. Boissard, Guardian National Life, suggested the American Life Convention request more uniform legislation to make the states assume responsibility for municipal obligations. He pointed out that the states gave municipalities their charters and they should be charged with a degree of responsibility.

### Rewriting of Policies When Loans Are of Large Size

(CONTINUED FROM PAGE 10)

of giving the assured more insurance for less money whenever possible and that if the premiums on a policy are beyond the assured's ability to pay premiums, that a lower rate contract should be arranged, are features that are not mentioned at all. There is no evidence that the good will of the assured secured by proper rewriting which will surely result in additional business later on, has been considered.

No mention is made of the rewriting of policies involving automatic premium or partial cash loans, extended term or fractional paid up policies. Rewriting is considered entirely from the standpoint

of maximum loans. The figures cited involve a very small amount of business rewritten during a period of acute financial distress and reflect varying practices and viewpoints on the part of the companies. It is evident that an intensive effort is being made to study and analyze the problem and this is most commendable, but at the same time a large amount of experimenting and considerable inexperience is revealed. It is generally recognized that the problem is entirely different than the regular routine of a life insurance company. The agency problem, a varying of the companies' attitudes, some with plans and others without, most definitely points to

the need of a highly capable organization specializing in this field.

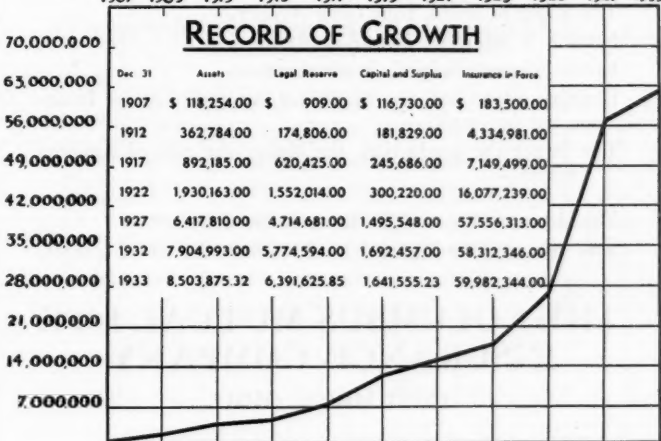
It also seems apparent that too much emphasis is being placed on cash values of life insurance and the desire of the companies to hold a maximum amount of reserve or loans to improve mortality. The companies should approach this problem from the viewpoint of the policyholder to give him the maximum benefit when possible by a rewriting, and proper selection and underwriting will protect their interest.

The California Fraternal Congress will hold its annual meeting in Pasadena in November.

## PROTECTIVE LIFE INSURANCE CO. INSURANCE IN FORCE BY YEARS

DEC. 31

1907 1909 1913 1915 1917 1919 1921 1923 1925 1927 1933



**Protective**  
LIFE INSURANCE CO.  
BIRMINGHAM, ALABAMA.

## Modern Plans of Protection Juvenile Contracts "Just like dad's"

Issued from birth to nine years, six months

Yes, our General Agents will be glad to receive brokerage business on the lives of healthy youngsters in good families from agents of companies not writing insurance under age ten. Ask or write for our attractive Juvenile literature and rate book.

**Atlantic Life Insurance Co.**  
RICHMOND, VIRGINIA

Angus O. Swink  
President

William H. Harrison  
Vice-Pres. & Supt. of Agencies

## The Columbus Mutual

### OFFERS

First—LOW COST INSURANCE TO SELL.

Second—LIBERAL COMMISSIONS FOR SELLING IT.  
(An Unusual Combination)

Third—IDEAL WORKING CONDITIONS.

Vested Renewals—  
Unrestricted Territory—  
Automatic Promotion—  
Equality of Opportunity—  
The Right to Build Your Own Agency—  
No one to interfere, dictate or coerce—  
Every influence helpful, inspirational—  
Reward determined not by chance, by guess, or by favoritism, but by results—  
The larger the production, the higher the rate of compensation—

You do not have to fight for a better contract—  
You rise to your rightful level without let or hindrance.

## THE COLUMBUS MUTUAL LIFE INSURANCE COMPANY

COLUMBUS, OHIO

## PURE PROTECTION LIFE INSURANCE

Is Not Expensive. Estimated Average Annual Cost  
Per \$1000.00 Whole Life Policy

**AGE—35—\$13.17**

REDUCED TO THIS FIGURE BY AN EARNED DIVIDEND

NO CASH LOAN or CASH SURRENDER VALUES  
OR OTHER EXPENSIVE SO-CALLED INVESTMENT FEATURES

No Winds of Chance—No Sudden Change in the Current of Business  
Affairs Can Affect the Strong Financial Position of This Company

Excellent opportunity for salesmen—Illinois, Michigan, Indiana, Missouri.

**INTERSTATE RESERVE LIFE**  
MUTUAL LEGAL RESERVE LIFE INSURANCE  
10 EAST PEARSON ST. CHICAGO

### Wanted: Managerial Material

#### BUFFALO MUTUAL LIFE INSURANCE COMPANY

for the States of New York and Ohio

Men who would make good local and district managers in various territories in New York and Ohio are wanted by this 62 year old company... to start as agents. Write in confidence with details of experience to E. Parker Waggoner, Supt. of Agents, Buffalo.

### THE UNITED STATES LIFE INSURANCE COMPANY

Organized 1859 In the City of New York Non-Participating Policies Only  
Over 80 Years of Service to Policyholders  
Good territory for personal producers, under direct contract  
HOME OFFICE: 156 Fifth Avenue, New York City

### Financial Section Parley Does Not Produce Hot Tips

(CONTINUED FROM PAGE 11)

connection with the corn-hog program of the agricultural adjustment administration. Several Washington and other officials in charge of the administration of this program were on hand and after making introductory remarks, answered the many questions of the members of the Financial Section. The corn-hog people included W. Harry King, who is in charge of the institutional landlord unit of the corn-hog section of the AAA; Ralph H. Moyer, regional representative of the AAA; E. H. Moyer, attorney for the corn-hog program; J. D. Hull, regional consultant of the corn-hog, and W. J. Kupper, in charge of the Chicago office.

Then the Financial Section went into session again, for further discussion of the corn-hog program and also as to observations about the refinancing of farm mortgages through the Federal Land Banks and/or the commissioners.

The evening before the meeting of the Financial Section, the farm mortgage committee of the A. L. C. held an informal meeting. The members of that committee were R. T. Byers, American Central Life, chairman; A. A. Zinn, State Life of Indiana; F. W. Gleason, Pan-American Life; O. J. Lacy, Minnesota Mutual Life; D. T. Torrens, Kansas City Life, and S. F. Westbrook, Aetna Life.

Two days before the Financial Section meeting, the farm mortgage conference of the larger companies held sessions in Chicago. Mr. Westbrook is chairman of the conference. Usually these monthly meetings are held in the east.

### Industrial Bill Passes

WASHINGTON, D. C., March 22.—The Senate has passed a bill governing industrial life insurance in the District of Columbia. It provides that good faith on the part of the applicant and insured shall constitute a material element in determining the validity of such a policy in event payment of the policy is refused because of unsound health at or prior to the date of the policy. At the hearing the insurance companies said this practice had been followed but there is no clause in the policy requiring payment under such conditions. The bill also provides industrial policies shall be incontestable on any grounds relating to health after two years from date of issue, unless the policy shall provide a shorter period. It also provides for the naming of a beneficiary, but it is not compulsory.

### Willard King Appointed

Willard E. King, former Detroit manager of the North American Life of Chicago, has been appointed regional production supervisor of the Home Owners Loan Corporation.

### Trinity Life Holds Meeting

Commissioner R. L. Daniel of Texas was the guest of honor at the annual meeting of the Trinity Life at Dallas. A banquet was held in connection with the meeting with more than 500 persons attending. President A. Morgan Duke reported that the Trinity Life had \$7,043,342 insurance in force on Dec. 31 and \$1,453,600 new business had been issued since then.

### Son in Mathus' Household

A son, John Folsom Mathus, was born to Mr. and Mrs. Kenilworth H. Mathus March 16. Mr. Mathus is editor of publications for the Connecticut Mutual.

### Roy D. Mitchell Dies

Roy D. Mitchell of Sandusky, O., an Ohio National director, died Monday. Mr. Mitchell had been a director since 1921.

### T. L. Haff Vice President of the North American Re

NEW YORK, March 22.—Theodore L. Haff, United States manager European General Reinsurance, was elected vice-president of the North American Reassurance succeeding Arthur Coburn, who was last week elected vice-president of the Southwestern Life of Dallas. Mr. Haff will continue as U. S. manager of the European General. He was also elected a director of the North American Reassurance to succeed Ernest Iselin.

At the same meeting Harold I. Pratt was elected chairman of the board.

Mr. Haff is a reinsurance executive of broad experience. Before joining the European General, a casualty reinsurance company, he was in the fire reinsurance side of the business. The North American and European General, together with the Prudential Re- & Co., are members of the Swiss Reinsurance group.

### National Tea Company Is Taking \$15,000,000 Group

A large group life and disability contract has been closed on the National Tea Company in Chicago by the Aetna Life, covering more than 6,000 employees, the estimated insurance being \$15,000,000. It was handled through the R. S. Roberts general agency by Manager W. T. Craig of the group department there. The brokers on the case were P. R. Pape of W. A. Alexander & Co., and A. J. Gallagher, Insurance Exchange.

### Hold Sales Conference

H. P. Trosper, New York Life, addressed a sales conference of the Mutual of New York in Detroit on "The Hidden Equation in Life Insurance Selling." E. E. Sayles, estate specialist, spoke on "A Comprehensive View of Life Insurance;" A. W. Hostetler on "Prospecting;" and W. J. B. Thomas on "My First Year in the Life Insurance Business." The conference was under the direction of J. B. Macken, of Macken & Ballou, managers Mutual Life.

### General Agent Stevens Dies

J. Putnam Stevens of Portland, Me., general agent of the Massachusetts Mutual Life for nearly 50 years, died there after an illness of several months. He was considered the dean of life men in Maine and of the Massachusetts Mutual's agency force.

### Receivership Is Requested

Suit to dissolve the Alton Mutual Society of Alton, Ill., a life association organized in 1927 has been brought in the circuit court at Edwardsville, Ill., at the instance of Insurance Director Palmer. The petition alleges liabilities exceed assets by \$11,200.

Eighteen policyholders died since Jan. 1.

### Great-West Life Cuts Rate

The Great-West Life of Winnipeg announces that in the future the interest rate on premium notes is reduced from 7 percent to 6 percent.

### Sun Life Scale Continues

Dividends to policyholders of the Sun Life of Canada, effective from April 1, 1934, will be continued on the same scale paid the past year. On proceeds of policies left with the company interest will be allowed at 4 1/4 percent, commencing April 1 and on dividends left on deposit the rate will be 4 percent.

The Lutheran Brotherhood of Minneapolis reports that the new adult business in February was \$572,263 as compared with \$408,000 last year, increase 40 percent. Its juvenile business was \$30,985, making the total month's business \$603,248.

The All-States Life of Alabama is issuing ordinary policies for \$500.



# SALES IDEAS AND SUGGESTIONS

## Vast Opportunities for Life Agents Arising from Depression Stressed in St. Louis Talk by F. H. Davis

Life insurance men and women today are working in an atmosphere of public confidence, Vice-president F. H. Davis of the Penn Mutual stated in a talk before the St. Louis Association of Life Underwriters. Of the betterment of business conditions there is no doubt, nor that the mass of the public has lost its jitters of a year ago.

So long as the present betterment continues, the momentum of returning confidence will be maintained and life insurance will share in the improvement. If it does, he said, there will be presented a vast new market that is being created by the very circumstances that caused the upset in all business.

### Virtually New Market in Former Policyholders

"Hundreds of thousands of policyholders who were obliged to give up their insurance in order that they might have bread and butter, fuel, clothes, rent money and mortgage instalment money, and who now again have incomes, will be willing prospects for the restoration of so much life insurance as their means will permit them to buy," he said. "Perhaps only a small portion of them will at first be able to take as much as they surrendered, but they will be of the mind to go as far as their incomes will allow. This should be a heavy part of your production and a part of it that should give you the deepest satisfaction. That is virtually a new market for the life underwriter."

"Along with that you will still have your former market: Protection for the home, comprising cleanup fund, monthly income for the widow, mortgage coverage, college education for the children, boy and girl insurance, and retirement fund when the working years are over, together with annuities for the parents and other dependents. In brief, the domestic program for protection which all of you know so well."

Mr. Davis pointed out that another part of the regular market which is opening again is estate conservation. Increase in income and property taxes and in federal estate tax offers oppor-

tunity to sell life insurance. Business men again will need business insurance; partnerships and corporations will need general protection and credit protection, as well as the highly liquid assets obtainable in life policies.

Salary savings will be in greater demand. Women underwriters, Mr. Davis said, also will have the new market of restoration and the old market. Wage and salary earners and professional women will be the best customers. Retirement income contracts have become very popular among self-supporting women. Another opportunity is the philanthropic endowment.

Mr. Davis said the great body of field workers is industrious, intelligent, loyal and ambitious, yet he stressed the necessity for most careful prospecting and widening of the field. He said the agents have so many hours in the day to work; every minute must be made to count.

"If your income has suffered, as it has with most of you," he said, "the more thrifty use of time, both as to how to use it and where to use it, will ease your situation. Business hours should not be used for finding out whom you are to see and where you are to go."

Mr. Davis said this should be done when the business day is over. The day should start with a definite program and a route to the prospects that is the shortest line between two points. He asked if the agent's method of presentation is as effective as it might be. Is he a skeptic about organized sales talks? If so, he said, the agent should observe the experience of successful men in the business, for they have demonstrated the worth of these ideas.

He dropped a word of advice to the newer agents against chasing the rainbow of large cases. Their day is over. Underwriting limitations and economic conditions require limiting both size and number of acceptable, individual large cases today.

The universal experience of successful men and women in the business is that he who writes applications as they come,

small, medium and large, doing day by day the day's work, is the man whose income is satisfactory, his increases steady and his ultimate financial independence practically assured.

Mr. Davis finds one thing to watch carefully is the waste which often occurs in agency contests. In many cases applications are not followed by examinations and deliveries are expensive. A contest for paid for business is the ideal one, he said, but it has the drawback that in many cases the agents become discouraged rather than stimulated. On

the other hand, contests for written business frequently are little more than a speculation in production. More applications are written by the individual than he would have written without them, but he is apt to take a chance by turning in applications from men whose hands gave their signatures, but whose minds did not. General agents should emphasize that in all written business contests only the applications which it is probable will be followed by deliveries, and that will be paid for, are worth while.

## Three Group Sessions Popular at Cleveland Sales Congress; Many Practical Suggestions Presented

Group meetings again proved popular at the spring sales congress of the Cleveland Life Underwriters Association. The afternoon session was divided into three separate meetings addressed by W. N. Watson, Boston manager of the Phoenix Mutual Life; S. E. Martin, John Hancock Mutual Life, Columbus; and M. B. Cohill, Equitable Life of New York, Pittsburgh.

Mr. Watson, heading the group on "Program of Effort and Time Control," pointed to the need of a working budget. "Set up the amount you must earn to meet your responsibilities," he said, "and then figure the amount of business required to produce that income. Analyze your work and determine the number of interviews required to produce a sale and how many interviews are necessary over a yearly period."

### Knowing Value of Each Call is Incentive for Agent

"Knowing the value of each call and interview is a tremendous incentive for a life underwriter to control his time. Secure a definite number of new prospects each day and make a definite number of appointments. Let us assume there are two kinds of interviews—the picture-taking interview and the closing interview. Make a certain number of the closing interviews every day."

Mr. Watson pointed out the value of records and the importance of having an early morning appointment. Evening work should be by appointment, he

said, and only one interview should be scheduled per night. The right mental attitude and a definite objective are invaluable. The importance of consecutive production cannot be over-estimated. Perseverance will do it.

Mr. Martin, speaking on "Facing Our Problem for What It Is," pinned the job of the life agent down to a definite objective—supplying an income to fit the living standards of the assured and his family. "Your prospect's requirements must be measured before insurance can be sold intelligently," he said.

### Four Conditions Under Which Income Is Cut

"There is only one property which is geared to life—insurance. People have tried other plans of solving their income problems but what they have actually been seeking is life insurance. The purpose of an investment is to provide food, clothing and shelter today, tomorrow and every day. The perfect investment is that which delivers the required income as long as you live and your dependents live. No matter what a person invests in, that property will sooner or later be measured against tomorrow's problems."

"There are four conditions under which a person's income may be cut off—when he is unemployed, sick, dead or aged. Unemployment is usually only a short term factor and sickness is sometimes avoided. Death and old age, however, are inevitable and upon these life

## New Tools Meet Old Problems

Fundamental needs do not change—but conditions do. Smart merchandisers meet old problems in new ways, matching the tempo of the times. They offer new approaches, new selling angles, attractive new packages.

### Fidelity Is Abreast of The Times

The Bridge Builder—a package sale. Continues the breadwinner's income through the readjustment period. The Fortifier—a depression policy. Stands midway between the usual Term policy and permanent plans. And Family Income Rider applied to the "Income for Life" policy originated by Fidelity. These new Fidelity tools meet present-day conditions.

Send for booklet, "The Company Back of the Contract"

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## Continue to Move Forward!

THE financial position of this Company is stronger than ever before, with a record cash balance and no borrowed money. . . Entering the 23rd year of faithful service to the people of its territory. . . New Liberal commission and non-forfeitable renewal contract for competent underwriters.

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insurance may be sold with a certainty.

"Every prospect has his own individual problems and the measuring stick should be applied. Since a man's family is educated to a certain standard of living based on the man's income, they should be supplied with the same income after his death. In other words, today's problems become tomorrow's problems and the measuring stick can be definitely applied on the basis of today. The money requirements and the amount of insurance necessary to supply that income can be set down in black and white. The job of the salesman, therefore, is not to sell life insurance but to solve problems."

Mr. Cohill headed the third group meeting on "Dominating the Interview—Closing," in which he gave his listeners the benefits of his 18 years' experience as a successful closer. He stressed the importance of dominating the interview and carrying the prospect through to a favorable close.

### Enter Interview with a Positive Attitude

"Enter the interview with a positive attitude and no apologies. Command respect if you would sell. Coordinate all of your knowledge regarding the prospect in the presentation which must be built around him as an individual. In other words, use only ideas which hit the target and modernize the presentation to meet today's needs."

"Success in life insurance selling means a great deal of drudgery and hard work. Considerable preparation is necessary before the approach. You should have a genuine friendly interest in each prospect and, during the interview, take the initiative in displaying that interest and friendly feeling. Close the sale in one interview if you can."

Mr. Cohill advised that each salesman should interview the class or type of people he can talk to best. Use ideas, also, which fit your natural ability but sell insurance to meet the client's definite needs. Dominate the interview, confidently, and carry it through, logically, to a successful close.

### CONGRESS HIGHLIGHTS

President E. W. Bralley opened the Cleveland sales congress with 800 in attendance.

At the morning session H. J. Cummings, vice-president Minnesota Mutual Life, talked on "Three in One," and Roger B. Hull, managing director National Association of Life Underwriters, on "Industrial Recovery and Life Insurance."

Frank H. Davis, vice-president Penn Mutual Life, closed the afternoon session with a talk on "Today's Opportunities." "I am getting to the period in life where there are lots of yesterdays and too few tomorrows," he said. "I am extremely interested in today. Take stock of today. What can we do that we didn't do before? The answer is, the things we failed to do yesterday. Methods in the past were all right. The trouble is, we don't make proper use of what we know. I believe we need more enthusiasm and energy and the equipment and ability you have today is sufficient. Mental attitude is as important as mental capacity."

J. H. Rutherford, Phoenix Mutual Life, was chairman of the afternoon session with Eugene Fish, National of Vermont, chairman of the morning.

Life underwriter with 4 years agency experience in home office and who for the past 4 years has gone into personal production and field and training work to enlarge his knowledge and experience for the future, now desires Home Office agency position. Has made careful study and analysis of men and insurance contracts and practices. References. If you can use such a man address Y-42, The National Underwriter.

WANTED—Actuary with proven record, 30 to 40 years of age, married; desirable that actuarial examinations have been passed. Sound opportunity for man who can take responsibility. Give complete history and references. Address Y-43, The National Underwriter.

## C. L. U.

William Alexander, secretary of the Equitable Life of New York, was the guest speaker at the luncheon of Los Angeles chapter of Chartered Life Underwriters. He told of the value of proper education of life underwriters in knowledge of the business, as well as in salesmanship. John W. Yates, Los Angeles general agent of the Massachusetts Mutual Life, talked on "Love Your Business." The type of agent that succeeds, he said, is the person that not only loves the business but also accepts the responsibility to his client of properly protecting his interests and those of his beneficiary and conscientiously observes the highest ethics of the business. J. D. Brady, attorney, talked on current inheritance taxation matters and recent legal decisions affecting life insurance.

The meeting concluded with the presentation of a humorous burlesque of a life insurance sales skit by Harry Walker, Howard Neal and F. W. Pierce of the home office agency of the Pacific Mutual Life, the script of which was written by Mr. Neal.

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Because of the enthusiasm for the work manifested at the dinner given by the Detroit C. L. U. chapter, a review group to go over the first two sections of the C. L. U. course will be formed so that those who started the course in Detroit this year but did not continue it will be enabled to catch up their back work and proceed with the class.

Paul W. Cook, agency supervisor Mutual Benefit, Chicago, was the principal speaker to the 182 general agents and agents attending.

Speakers included J. H. Kennedy, assistant agency manager Equitable; Miss Mildred E. TenBrook, Mutual Benefit; H. K. Schoch, general agent Aetna Life; C. A. Macauley, state agent John Hancock and president Qualified Life Underwriters; M. L. Woodward, general agent Northwestern Mutual; F. L. Klingbeil, manager Prudential ordinary agency; Dr. W. D. Henderson, head of the extension division of the University of Michigan; and George E. Lackey, general agent Massachusetts Mutual.

### Nebraska Attorney General Holds Annuities Taxable

LINCOLN, NEB., March 22.—Attorney General Good created consternation in Nebraska life insurance circles by ruling, when asked by Insurance Director Herdman, that life insurance annuities are taxable. The opinion prompted the calling of a meeting of company officers and general agents, which was largely attended.

The last legislature in amending the intangible tax law, placed annuities in the personal property tax classification. Mr. Good said it was clearly the intention of the legislature to include annuities in the list subject to general tax levies, which means a tax of 2 to 3 percent, and these should be assessed to the holder at its value as of April 1 of the year in which assessed, that value to be found by capitalizing the payments not yet due and payable at their present value.

The word "annuities" has long been appearing in the tax schedule, but no attempt has ever been made to assess any type other than those which include private donations to philanthropic enterprises. In Laub vs. Furnas county, decided by the supreme court in 1920, it was held that reserves are not taxable, and that they could not be taxed until the legislature had fixed a standard of valuation of the interests of each party to the contract.

C. Petrus Peterson, general counsel for the Bankers Life of Nebraska, pointed out the state collects a 2 percent premium tax, and an additional assessment would be double taxation. He

feels the word "annuities" as applied to the contracts sold by life companies is a misnomer and that when the test is to what constitutes reserves is applied—that of whether a life contingency is involved—it would be found that annuity contracts with provisions for refund or for joint-survivorship would be held not to be taxable. There might be some doubt as to straight annuities where payments cease at the death of the annuitant.

The general discussion that ensued brought out that a number of other contracts, such as monthly income policies, might be construed, on the theory propounded by the attorney general, to be taxable. Mr. Peterson said a court test could be secured, if the attorney general held to his original opinion, by an annuitant refusing to list his contract and then protesting any tax levied if the assessor places it on the tax roll.

### Asks Interest Reduction

BOSTON, March 22.—Commissioner M. L. Brown has called attention of all companies doing business in Massachusetts to the order jointly adopted by the Massachusetts house and senate with reference to the reduction of the interest rate on mortgages on dwellings. The commissioner asks the companies to reduce at the earliest practical date the rate of interest on mortgages they hold on dwelling houses occupied by their owners to not exceeding 5 percent per annum, "but only in so far as such reduction would be consistent with the principles of sound insurance management, and not detrimental to the interests of policyholders."

### Woodward Talks to Reem Agents

M. L. Woodward, general agent Northwestern Mutual, addressed the Guy A. Reem general agency of the State Mutual Life in Detroit at an all-day sales conference launching the company's 90th anniversary sales drive.



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